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BANK MAY INTERVENE IN MARKET TO STABILIZE YEN

OW210531 Tokyo KYODO in English 0516 GMT 21 Feb 86

[Text] Tokyo, Feb. 21 KYODO -- Satoshi Sumita, governor of the Bank of Japan, Friday hinted at intervening in the foreign exchange market to stabilize the value of the yen, which has been rising rapidly in the past several weeks, government officials said. Sumita told a meeting of economic affairs ministers that the Japanese monetary authorities are now in close touch with other countries to discuss the possibility of making concerted efforts to intervene in the market to stabilize yen-dollar exchange rates. The meeting was convened by Wataru Hiraizumi, director general of the Economic Planning Agency, to present a monthly EPA report on the state of the nation's economy.

Prime Minister Yasuhiro Nakasone said thursday night that he expected the yen to stabilize at 180 yen to the dollar, saying it has risen enough, the dollar closed at 179.85 yen on the Tokyo Foreign Exchange Market Thursday. Nakasone made the remarks at a meeting of members of the ruling Liberal-Democratic Party (LDP). But he did not refer to the possibility of concerted intervention in the market if the Japanese currency rises further, LDP officials said.

At Friday's ministerial meeting, Masumi Esaki, director general of the Management and Coordination Agency, said the government should consult closely with other major advanced countries at their so-called "G-5" (Group of Five) meeting of finance ministers and central bank governors to discuss joint intervention. He later told a House of Representatives Budget Committee session that the government must take some measures to forestall a further rise in the Yen's value, saying the present appreciation of the yen should not be left unchecked because of its impact on the already sluggish Japanese economy.

Finance Minister Noboru Takeshita told the same session that he believes the Bank of Japan will make a proper judgment on further cutting its official discount rate while closely watching developments in the economy.

The central bank reduced its base rate, which it charges on loans to commercial banks, by 0.5 percentage points to 4.5 percent on January 30. Speculation is now growing that the bank may slash the rate further to 4 percent or even 3.75 percent as early as mid-March to stimulate the economy.

Foreign Minister Shintaro Abe told the economic ministers' meeting that Japan's official discount rate should be reduced further to help spur the domestic economy and eliminate the mounting trade surplus, which is expected to increase due to lower oil prices. He also stressed the need for the government to work out a comprehensive package of economic measures in early April as soon as the 1986 national budget is put into force.

Chief Cabinet Secretary Masaharu Gotoda told the same session that the ministers concerned should take necessary economic steps "with sincerity," with due attention paid to the impact the yen's sharp rise has on the domestic economy, officials said. But he said it may not be appropriate for the key lending rate to be reduced further at the moment as deposit and lending rates are to be lowered from Monday following the recent 0.5 point cut.

Abe told reporters following a regular cabinet meeting that Japan should map out pump-priming measures as soon as possible to help check the growing trade surplus. "Japan should fulfill an international responsibility and it cannot be allowed to go its own way," the foreign minister said.

MITI'S WATANABE URGES FURTHER DISCOUNT RATE CUT

OW201129 Tokyo KYODO in English 0937 GMT 20 Feb 86

[Text] Tokyo, Feb. 20 KYODO -- Michio Watanabe, minister for international trade and industry, Thursday reiterated the need for another cut in Japan's official discount rate to cope with the yen's rising value against the dollar. Watanabe stressed the need when he met with Noboru Goto, chairman of the Japan Chamber of Commerce and Industry, and other chamber leaders to discuss current economic issues, officials said. The minister said he wants to introduce effective ways to expand domestic demand, including early implementation of public works projects, the officials said. But Watanabe said he was opposed to additional construction bond offerings for expanding public works, arguing they will widen the national budget deficit.

PLANNERS SEE 'OMINOUS SIGNS' IN PART OF ECONOMY

OW210145 Tokyo KYODO in English 0137 GMT 21 Feb 86

[Text] Tokyo, Feb. 21 KYODO -- The Japanese economy is still continuing its gradual expansion as a whole but some ominous signs have become discernible in such fields as industrial production and capital spending, the Economic Planning Agency said in a monthly report Friday. The report was presented to a meeting of economic affairs ministers by EPA Director General Wataru Hiraizumi. The basic assessment of the nation's overall economic situation in the latest report is the same as in the agency's January report. But corporate firms are now delaying capital spending, apparently in the wake of the yen's steep appreciation against the U.S. dollar in recent months, agency officials said.

Also, the officials said, various economic indicators, such as mining and manufacturing production and housing starts, are now expected to show rather poor results. The remarks were taken as indicating that the agency is increasingly concerned about domestic economic conditions in connection with the fast rise in the yen's value, EPA sources said.

The report said that consumer spending is increasing steadily, judging from a recent recovery in household expenditures and brisk sales at department stores. Sales of durable consumer goods are also increasing steadily, as is the expansion in housing construction, it added. It said, however, that according to the Ministry of International Trade and Industry's prediction, production by mines and manufacturing industries is expected to show a decline of 3.2 percent in January over the preceding month and a further monthly decline of 0.2 percent in February. Corporate capital spending in the January-March period also shows a 1.9 percent decline from the preceding quarter as a whole, it noted. Spending by manufacturing industries is expected to show decreases for three consecutive quarters until the April-June quarter, it said.

Corporate managers are apparently becoming increasingly cautious about capital spending, partly due to the yen's steep appreciation, the agency officials said.

The report said the nation's exports are still rising on a quantitative basis, while imports declined 2.4 percent in January from December, leaving a big trade surplus for the month in dollar terms. In January, the officials said, exports to the European Community showed a particularly sharp increase of 37 percent from a year earlier, reflecting brisk shipments of automobiles, general machinery and textiles.

'TEAM SPIRIT' DETRIMENTAL TO NORTH-SOUTH DIALOGUE

SK200511 Pyongyang Domestic Service in Korean 0830 GMT 19 Feb 86

[Talk by Chong Yong-sik, councilor of the CPRF Secretariat: "The Team Spirit-86' Joint Military Exercise Is a Deliberate Maneuver To Frustrate the North-South Dialogue"]

[Text] The U.S. imperialists and the South Korean puppet clique committed the brutality of conducting the "Team Spirit-86" war exercise in South Korea at last, despite the strong denunciation and rejection by our people and the world's people. The large-scale forces of aggression are surging toward our country from U.S. military bases on the U.S. mainland, Japan, and the Pacific. Because of the "Team Spirit-86" war exercise rackets, which the U.S. imperialists and the South Korean puppets are frantically kicking up by flying aircraft and firing guns and cannons, South Korea has been turned into a battleground filled with dense gun smoke and a tense situation in which a war may break out at any moment has been created in our country.

I sternly denounce the "Team Spirit-86" war exercise maneuvers of the U.S. imperialists and the South Korean puppets, branding them as a deliberate criminal act to frustrate the North-South dialogue and as a vicious challenge to the conscience of the entire nation and mankind, who hope for peace in Korea and her peaceful reunification.

In the recent New Year's address, the great leader Comrade Kim Il-song has taught: In order to successfully hold the North-South dialogue, tension between the North and South must be alleviated and, to achieve this end, among other things, military exercises against the opposite side of the dialogue must not be conducted.

In order to make progress in the North-South dialogue and to make the dialogue bear good results, an atmosphere favorable to the dialogue must be created. Mutual understanding and trust are the foundations of dialogue and if such foundations are to be provided, military exercises which instigate the opposite side must not be conducted. Holding dialogue face to face with each other, while conducting war exercises against the opposite side, is really unbecoming. Moreover, under circumstances in which the danger of a war is prevalent, dialogue cannot be smoothly held and successes in the dialogue cannot be expected. Proceeding from this, in an effort to fruitfully make progress in the North-South dialogue, we have, in this year alone on many occasions, advised the United States and the South Korean side not to engage in acts that create obstacles to the dialogue and have made all efforts to this end. In particular, while clarifying the position on not only smoothly holding the current talks but also realizing the North-South summit talks, the great leader Comrade Kim Il-song, in his recent New Year's address, elucidated that as a measure to successfully hold the North-South dialogue, military exercises against the opposite side must not be conducted.

Moreover, as an initiative measure to provide an atmosphere favorable to the dialogue, we decided not to conduct large-scale war exercises throughout the northern half as of 1 February and to stop all military exercises during the entire period of North-South dialogue, and proposed that the United States and the South Korean authorities also respond to this. As a measure that reflects the aspirations and wishes of the entire nation, which hopes that peace in Korea and her peaceful reunification will be achieved through dialogue and negotiation, this is winning absolute support from not only our people but also the world's people.

Nevertheless, the U.S. imperialists and the South Korean puppets, disregarding our peace proposal, at last, began the "Team Spirit-86" joint military exercise. In this way, the U.S. imperialists and the South Korean puppets have not only further aggravated tension in our country but also committed the criminal act of building obstacles to the dialogue and of leading the dialogue to come to a rupture.

The U.S. imperialists and the South Korean puppets are the very vicious divisionists and warmongers who are not interested in the North-South dialogue but who are only seeking confrontation and war. I think that the U.S. imperialists and the South Korean puppets, taking full responsibility for stopping the North-South dialogue by kicking up the "Team Spirit-86" war exercise rackets, must apologize to the world's people. Moreover, the U.S. imperialists must stop the vicious "Team Spirit-86" war exercise maneuvers, which are bringing in the dark clouds of a nuclear war in our country, and take action to alleviate tension and to assist the dialogue, and the persons in authority in South Korea must not aggravate the situation by following the U.S. imperialists and respond to the dialogue with a sincere position and attitude. I firmly believe that the South Korean people of all walks of life, strongly united under the banner of the reunification of the fatherland, will resolutely rise up in the holy patriotic struggle for peace and peaceful reunification after crushing the nuclear war exercise maneuvers of the U.S. imperialists and the South Korean puppets.

SR-71 OVERFLIGHTS AGAIN VIOLATING AIRSPACE

SK210952 Pyongyang Domestic Service in Korean 0910 GMT 21 Feb 86

[Text] The U.S. imperialists have committed espionage acts by infiltrating in succession spy planes into the airspace over the territorial waters of the northern half of the republic.

At around 1134 today, the U.S. imperialists, who are carrying out maneuvers to provoke a new war in Korea, infiltrated an SR-71 high-speed and high-altitude reconnaissance plane into the airspace over the coastal sea south of Kangyong Peninsula in the West Sea of our country. Following this, they once again committed an espionage act against the northern half of the republic by infiltrating it deep into the airspace over the territorial waters east of Kosong in the East Sea at around 1320.

Also on 14 February, they twice infiltrated the SR-71 spy plane into the airspace over the territorial waters in the East and West Seas. On 17 February, they committed an espionage act by infiltrating the spy plane deep into the airspace over the territorial waters east of Kosong in our country, flying it as far as the airspace over the coastal sea in Sonbong County, North Hamgyong Province. Following this, on 20 February, they once again infiltrated the spy plane deep into the airspace over the territorial waters in the East Sea.

The fact that the U.S. imperialist aggressors are committing such military espionage acts almost daily, while launching the large-scale "Team Spirit-86" joint military exercise and bringing a great number of military forces of aggression and weapons of mass destruction into South Korea fully shows how frenziedly they are running amok in their maneuvers to provoke a new war.

SOUTH ATTEMPTS TO BLOCK SIGNATURE CAMPAIGN

SK201042 Pyongyang KCNA in English 1007 GMT 20 Feb 86

[Text] Pyongyang, February 20 (KCNA) — The "Democratic Justice Party," the private political party of traitor Chon Tu-hwan, held an "enlarged meeting of party officials" on February 17 and decided to launch a "nation-wide publicity action" in an effort to thwart the signature campaign seeking "constitutional amendment," according to a radio report from Seoul.

On the same day the puppet Seoul police bureau issued to the police stations in the city directives to mobilise even inhabitants in arresting the students put on the "want list" for their involvement in the anti-fascist struggle for democracy and the signature-collecting campaign.

In the directives the puppets ordered them to establish "an effective reporting system" among the inhabitants, provide the lodging houses with the names on the "want" list and even "take special census."

On the instructions of the fascist clique, Seoul University called together more than 2,500 new students and their parents and told them not to get involved in "seditious organisations" or "illegal assemblies," threatening that they would, otherwise, face "campus discipline" and "campus penalties," to cow the new students away from struggle. And the puppet education ministry issued "urgent instructions" to the universities and colleges to totally ban loan of school expenses to the "problematic students."

A series of facts show how desperately the Chon Tu-hwan fascist clique are trying to bar the anti-fascist struggle for democracy and the signature campaign, utterly dismayed at their rapid growth in scope and strength among students and opposition figures.

Kim Yong-sam Under House Arrest

SK200515 Pyongyang KCNA in English 0455 GMT 20 Feb 86

[Text] Pyongyang, February 20 (KCNA) — The South Korean fascist clique put Kim Yong-sam, co-chairman of the Council for the Promotion of Democracy and permanent advisor to the "New Korea Democratic Party", under house arrest Wednesday [19 February] for the third time in a week, according to a REUTER report from Seoul. The news agency suggests that this house arrest by the puppet clique is to prevent Kim from activities concerned with the 10 million signature campaign.

According to it, over 60 opposition members and dissidents are still in custody and Kim Tae-chung remains under house arrest.

NKDP President, Others Arrested

SK210558 Pyongyang KCNA in English 0455 GMT 21 Feb 86

[Text] Pyongyang, February 21 (KCNA) — The Chon Tu-hwan military fascist clique put over 200 members of the "New Korea Democratic Party" including its president Yi Min-u under house arrest Thursday, according to foreign press reports from Seoul.

A meeting was to be held that day at the party headquarters to discuss the question of holding a ten million signature-collecting campaign for "constitutional" amendment all over South Korea.

To frustrate the meeting, the fascist clique tightly cordoned off "NKDP" headquarters with 300 riot police.

Police Search NKDP Headquarters

SK210452 Pyongyang KCNA in English 0449 GMT 21 Feb 86

[Text] Pyongyang, February 21 (KCNA) -- The Chon Tu-hwan military fascist clique surprised and searched the head office building of the "New Korea Democratic Party" (NKDP) at dawn Thursday, [20 February], according to a radio report from Seoul. The fascist clique seized over 20 articles including papers of signatures of participants in the signature-collecting campaign, a wooden signboard, documents specifying the purpose and significance of the signature campaign and printed materials concerned with the campaign.

NKDP Vows To Continue Campaign

SK200522 Pyongyang KCNA in English 0458 GMT 20 Feb 86

[Text] Pyongyang, February 20 (KCNA) -- The spokesman of the "New Korea Democratic Party" (NKDP), an opposition party of South Korea, announced his party's will Wednesday [19 February] to carry the ten million signature-collecting campaign for amendment of the fascist "constitution" to the end, according to a foreign press report from Seoul.

The all-South Korea signature campaign for "constitutional" amendment will be decided upon at an opposition party meeting to be held in Seoul Thursday, he declared. He was quoted as saying "we all the 600,000 members of the party are ready to be thrown into prison, if it is for the signature campaign."

MINJU CHOSON CLAIMS CHON ABUSING OLYMPIC GAMES

SK210554 Pyongyang KCNA in English 0525 GMT 21 Feb 86

[Text] Pyongyang, February 21 (KCNA) -- MINJU CHOSON Friday in a commentary hits at Chon Tu-hwan the puppet for having prattled that a "guard system" should be intensified to counter the North's "obstruction to the Olympic games".

The author of the commentary says:

"Obstruction to the olympic games" is a lie invented to delude public opinion. Persistently resorting to this false propaganda, the puppets try to blame us in case the Olympic games faces the danger of miscarriage due to the world people's protest and their complicated internal situation. In this way they try to impair the ever rising international authority and influence of our republic, escape their international isolation and imbue the people with the consciousness of confrontation.

The criminal acts of the puppets abusing the Olympiad in pursuance of a foul purpose are disclosed in their cry that the "factors dividing public opinion" must be removed with the approach of such "big function" as the Olympiad.

Claiming that the 10 million signature-attracting campaign is a "factor dividing public opinion", the traitor Chon Tu-hwan betrayed his intention to suppress more brutally the signature campaign under the pretext of the "hosting of the Olympic games".

Today people at home and abroad are expressing deep concern over the fact that the Chon Tu-hwan group may cause a terrible bloodshed and provoke an adventurous war against the northern half of our republic at the end of anti-communist confrontation and fascist suppression under the pretext of the "hosting of the Olympiad".

If the puppets do so, they will be unable to escape isolation at home and abroad and their destruction.

KOREANS IN SOUTH, ABROAD OPPOSE SEOUL OLYMPIAD

SK201102 Pyongyang KCNA in English 1016 GMT 20 Feb 86

[Text] Pyongyang, February 20 (KCNA) -- The South Korean people and overseas Koreans are opposing the traitor Chon Tu-hwan's scheme to host the Olympic games in Seoul.

An intellectual surnamed Kim in Pusan said Seoul was unfit for the Olympic games in any respect.

"I decidedly oppose the Seoul Olympiad forcing sacrifices upon the people," he declared. South Korea, he said, has no fund to host the Olympiad, its social unrest is more serious than in any other region and the North-South relations are very tense. Worse still, the U.S. troops and the "ROK [as received] Army" are ready to provoke a war any moment.

SINHAN MINBO, a Korean paper published in the United States, pointed out that the puppet Chon Tu-hwan's scheme to host the Olympic games in Seoul is used as an excuse to stay long in office despite the expiration of his term in 1988.

The paper emphasized: Democracy cannot be achieved in South Korea, unless the Chon Tu-hwan dictatorial "regime" is overthrown. Therefore, those who desire independence, democracy and reunification must oppose the Seoul Olympiad.

NEW KOREA TIMES, a Korean paper published in Canada, noted that it is quite improper to host the Olympic games in Seoul which is under a touch-and-go situation.

Fifteen teachers of South Korea in their article published in a magazine supported the DPRK's proposal for the cohosting of the 24th Olympic Games by the North and the South of Korea. The voices supporting this cosponsorship proposal are growing louder among the South Korean people and overseas Koreans.

AUSTRALIA-DPRK COMMITTEE AGAINST OLYMPICS IN SOUTH

SK190427 Pyongyang KCNA in English 1500 GMT 18 Feb 86

[Text] Pyongyang, February 18 (KCNA) -- The Australia-DPRK committee published the magazine CONVEYER OF KOREA No 4. Carried in the magazine is the gist of the speech of the great leader President Kim Il-song at a banquet he arranged in honor of a delegation of the Communist Party of Portugal, together with a photograph showing him waving to the enthusiastically cheering working people in Moscow.

Printed in it are news that the fourth session of the Seventh Supreme People's Assembly of the DPRK discussed the matters of holding the inter-Korean parliamentary talks and adopting a non-aggression declaration between the North and the South and of promoting national reconciliation and trust between them and an article by a professor of the Washington University of the United States saying that the use of nuclear weapons is possible in South Korea.

Referring to the question of the venue of the 1988 Olympic Games, the magazine says that the purpose sought by South Korea in trying to host the olympiad in Seoul is to use it for a sinister political aim. It introduces the daily expanding and developing external relations of the DPRK.

Noting that the number of jobless people is steadily increasing in South Korea, the magazine points out that if the South Korean authorities do not provide the workers with employment, a fierce anti-"government" demonstration will take place as at the time of the fall of the Syngman Rhee "regime". Carried in the magazine is an article exposing the frantic new war provocation manoeuvrings of the U.S. imperialists in South Korea.

HWANG CHANG-YOP SPEAKS AT MANSUDAE ART THEATER

SK210447 Pyongyang KCNA in English 0428 GMT 21 Feb 86

[Excerpt] Pyongyang, February 21 (KCNA) -- The international affairs department of the Central Committee of the Workers' Party of Korea arranged a friendship gathering at the Mansudae Art Theatre on February 20 for diplomatic corps members in our country. The attendants first appreciated a music and dance performance given by artistes of the Mansudae Art Troupe. At the end of the performance, a floral basket was presented to the artistes in the name of the diplomatic corps in congratulation of their successful performance.

Hwang Chang-yop, secretary of the WPK Central Committee, spoke at the banquet that followed. He referred to the remarkable achievements made by our party members and working people in the revolution and construction under the leadership of the party last year.

He said the organisational and ideological unity and cohesion of our party and its leading role have been immensely strengthened and the creativity of the party members and working people is given full scope in the execution of the party policies at present. He stressed that this new revolutionary turn in the party's work and activities and in the overall revolution and construction are all shining fruition of the rare intelligence and tested guidance of our glorious party centre.

Stressing that what is the most urgent in our time is to remove the danger of war and defend world peace, he said: A decisive advantage of the peace forces over the war forces must be obtained and the friendship and solidarity of the world's peace forces be strengthened to thwart and frustrate the imperialists' policies of aggression and nuclear war.

We will work energetically to accelerate socialist construction and achieve the independent and peaceful reunification of the country in accordance with the line and policy of the party Central Committee and strive hard to strengthen mutual support and cooperation with parties and peoples of many countries of the world, guided by the idea of independence, friendship and peace.

SOUTH PRAISES KIM CHONG-IL IDEOLOGICAL EXPLOITS

SK201053 Pyongyang KCNA in English 1011 20 Feb 86

[Text] Pyongyang, February 20 (KCNA) -- The South Korean people highly praise dear Comrade Kim Chong-il as the successor to the revolutionary cause of chuche and great master of ideology and theory.

An intellectual residing in Pusan told his friend, a professor at a university in Taegu: The chuche idea adorns more brilliantly the highest peak of the history of Human thought thanks to the outstanding ideological and theoretical activities of the dear leader Mr. Kim Chong-il. It is only too natural that the world people speak highly of him as a genius of ideology who possesses clairvoyant foresight. He is, indeed, a great man of keen intelligence, great erudition and rare judgment.

A certain Yi, a clerk of a trading company in Pusan, told his colleagues that Mr. Kim Chong-il is conducting his ideological and theoretical activities with his brilliant intelligence and extraordinary penetration, untiring thinking and pursuit. It is the highest glory and biggest happiness of our people to attend him with high esteem as the great leader of our nation, he added.

An underground organisation held a seminar on works of Comrade Kim Chong-il. Speaking there, a young man surnamed Choe said: Studying works of the dear leader Comrade Kim Chong-il, I feel fresh strength and my prospect brightens. He is the lonestar throwing light in darkness and a guiding sun representing the future of the country. He has perfect grasps on the chuche idea of the great President Kim Il-song which is followed by all peoples and is translating it successfully to reality. Comrade Kim Chong-il is a distinguished and outstanding genius of ideology and theory in our time who has made a particular contribution to the philosophical thought of the world.

MINERS STRIVE TO FULFILL PRODUCTION PLANS

SK190439 Pyongyang KCNA in English 0430 GMT 19 Feb 86

[Text] Pyongyang, February 18 (KCNA) -- The working people all over the country are striving hard to full their production plans, upholding the decisions of the 11th plenary meeting of the Sixth Central Committee of the Workers' Party of Korea.

The workers of the mining industry are boosting coal and ore production by securing many coal cutting faces and slopes, while giving priority to tunnelling and earth-scraping.

The Sunchon District Coal Mining Complex, the general bureau of Northern District Coal Industry, the Kangdong District Coal Mining Complex and the Kangso General Coal Mine are operating their mining equipment at full capacity to overfulfill the daily coal production assignments. The Musan Mining Complex is increasing the iron ore production with successive big blasts.

Signal successes have been registered recently in the removal of overburden with the completion of the ore dropping chute system No. 2 of overburden conveyers Nos. 4 and 5.

A new upsurge is being effected in iron and steel production. The Hwanghae Iron and Steel Complex is overfulfilling the February plan, set 5 percent greater than the previous month's, in daily assignments.

The Songjin Steel Complex is keeping the production on a high level by introducing new technology. Lengthening the durability of the electric furnace 1.5 times has made it possible to turn out nearly 10,000 more tons of steel, while saving over 6,000 tons of fire-proof material a year.

Big successes are being made in carrying out their plans at industrial establishments in various domains of the national economy, including the Sungri General Motor Works, the Mangyongdae Machine-Tool Factory, the Pyongyang Silk Mill and the Hungnam and Fertilizer Complex.

PRODUCTION OF PROCESSED FISH INCREASES

SK200442 Pyongyang KCNA in English 0431 GMT 20 Feb 86

[Text] Pyongyang; February 19 (KCNA) -- Korea is boosting the production of processed fish. According to data compiled here, recently the production of frozen fish has risen 1.4 times, salted fish 2 times, dried fish 1.6 times and pickles 1.2 times as compared with the same period of last year.

Many fish processing bases including refrigerating plants with a rated capacity of tens of thousands of tons each and a cannery with a capacity of 100,000 tons have been built on the east and west coasts of Korea.

Refrigerating and processing plants are raising the proportion of frozen fish, keeping pace with big hauls of fish. Refrigerating plants in South Hamgyong Province are these days boosting the result of refrigeration 1.8 times as against the same period of last year.

The cannery of the Sinpo Fishery Complex is increasing the production of canned goods 1.5 times these days.

The fishery stations in Wonsan, Songdowon, Tongchon and Kosong of Kangwon Province are fulfilling their daily fish processing plans at 130 percent by introducing new techniques.

PRC MIG-19 FIGHTER FLOWN TO MILITARY BASE**Defense Ministry Announcement**

SK210814 Seoul Domestic Service in Korean 0741 GMT 21 Feb 86

[Announcement issued by the spokesman for the Ministry of National Defense -- live]

[Text] The actual alert warning at 1426 [0526 GMT] this afternoon was issued during the course in which an aircraft of an unidentified nationality intruded into the territorial airspace over our West Sea, and our Air Force immediately sortied and guided it to touch down at an air base at 1440 this afternoon.

At the same time as this, two puppet North Korean aircraft headed southward from the airspace over Haeju and turned back and headed northward in the face of our Air Force's prompt counteraction.

The aircraft, which was guided to land today, has been identified as a Mig-19 fighter, which belongs to the Communist Chinese Air Force. The relevant authorities are conducting an investigation into the matter at present.

Chinese Pilot Identified

SK211225 Seoul YONHAP in English 1207 GMT 21 Feb 86

[Text] Seoul, Feb 21 (YONHAP) -- The Chinese pilot, who flew into South Korea aboard a Mig-19 Friday, was identified as Chen Bao-chung, according to the defense ministry.

A source at the ministry said Chen, 26, left the Chinese air space while on a training flight. Chen took off an air base in Shenyang, northeast China, earlier Friday.

[Seoul Domestic Service in Korean at 1200 GMT on 21 February in a similar report renders this paragraph as follows:

"The Ministry of National Defense announced that the pilot Chen went astray while conducting a reconnaissance flight after leaving Shenyang, Manchurian District, Communist China today."

Chen, a single, is listed as an aviator of the Fourth Reconnaissance Group of the First Aviation Division of China, the source said.

ACTIONS TO COMBAT SIGNATURE CAMPAIGN CONTINUE**NKDP Headquarters Search Resumed**

SK210046 Seoul THE KOREA HERALD in English 21 Feb 86 p 8

[Text] Police resumed search of the headquarters of the main opposition party yesterday to find out lists of signatures calling for constitutional amendment.

They confiscated a signboard for the signature campaign and an assortment of printed materials related to the sign-in drive. But they failed to locate main rosters of signatures.

Hundreds of riot police cordoned off the headquarters of the New Korea Democratic Party (NKDP) from 7:30 p.m. Wednesday with a brief lift of the restriction for about two hours in the afternoon.

Police took the restrictive measure to prevent party members from entering the building near the Chongno 4-ga intersection for a meeting of the Central Standing Committee at 2 p.m. yesterday and an extraordinary conference later in the day.

A police spokesman said that police had warned the party leadership against calling the Central Committee into session because the meeting designed to gather signatures would be illegal.

"Police have demanded the NKDP leadership to call off the meeting, but it remained unheeded," said the National Police Headquarters spokesman.

Kim Yong-sam Released

OW210315 Tokyo KYODO in English 0309 GMT 21 Feb 86

[Text] Seoul, Feb. 21 KYODO -- The house arrest of Kim Yong-sam, one of South Korea's best known dissident leaders, was lifted Friday morning, though the restriction remained on another leading dissident, Kim Tae-chung.

They were placed under house arrest Thursday when they tried to attend a meeting of opposition members to discuss a petition calling for a constitutional revision to allow direct election of the president in 1988. The order closing the head office of the New Korea Democratic Party, South Korea's largest opposition group, was also lifted.

Police had tightened a clampdown on the No. 1 opposition party in a bid to snuff out a campaign for the revision of the constitution and to prevent the party from continuing a signature-collecting campaign which started February 12.

NKDP Still To Hold Committee Meeting

SK210105 Seoul THE KOREA TIMES in English 21 Feb 86 p 1

[Text] The Central Standing Committee meeting of the New Korea Democratic Party was aborted as the police hemmed in many committee members, including party President Yi Min-u, at their houses yesterday.

However, the main opposition party declared that the committee conference for gathering signatures from some 300 members in support of constitutional amendment will never be canceled. "The meeting is just being postponed," a spokesman said.

More than 600 riot police surrounded the NDP headquarters in downtown Seoul from 8 p.m. Wednesday to prevent party members from entering it. The police combed through the NDP office for the second time between 4 a.m. and 6 a.m. yesterday to search for signature rosters. They could not find them and instead they confiscated a signboard for the Center for the Promotion of Constitutional Revision.

Meeting reporters at his house in Samyang-dong, NDP president Yi said, "Our party will hold the committee meeting as soon as the police blockade is lifted.

He was confined to his home along with about 10 central committee members from early hours yesterday morning. Some 20 combat police in plain clothes blocked the entrance and exit.

Yi noted, "that they blocked the party office and restricted the (committee) members (across the nation) means that they fear the signature-collecting campaign so much."

The NDP had planned to hang up the signboard of the Center for the Promotion of Constitutional Revision at its headquarters yesterday. Rep. Yi also revealed that if the NDP headquarters would remain blocked for a long time, the signboard-hanging ceremonies would be started at local branches in major cities.

NDP secretariat officials told reporters that 34 committee members in provincial areas were restricted to their houses by the police who made sure that they would not attend the Seoul meeting. They also revealed that almost all NDP lawmakers and major secretariat officials were confined to their houses. Free were those who deliverately stayed out of their homes Wednesday night.

Floor leader Kim Tong-yong, Secretary General Yu Che-yon, Reps. Mun Chung-su, and Chang Ki-uk were known to have spent the night at hotels or to have sneaked out of their homes very early in the morning to escape the expected police blockade.

NDP spokesman Hong Sa-tok severely criticized the police blockade of the NDP office and the confinement of the committee members, saying, "The terminal symptoms of the current regime clearly reveal its dictatorial nature."

In a statement, Hong who was also restricted to his house said, "Our party warns that the day when the present government will be rejected miserably by its people is not far away."

Opposition leaders Kim Tae-chung and Kim Yong-sam were also "protected" by the police yesterday.

NKDP Lawmakers Summoned for Probe

SK200115 Seoul THE KOREA TIMES in English 20 Feb 86 p 8

[Text] A prosecution source confirmed yesterday that no change had been made in its plan to summon lawmakers of the opposition New Korea Democratic Party who signed a petition for election reforms depending on the progress of the police probe on the case.

Those NDP figures who went through police quizzing totalled 66 yesterday. Forty-five of them, including Yang Sun-chik, vice president, have been released, police said. Police investigators received testimonies from 36 NDP members for possible booking.

Three officials of the Council for the Promotion of Democracy were put under policy inquiry in connection with the Feb. 12 signature-gathering drive as of yesterday morning. Police have finished questioning 37 members of the CDP, including Hwang Myong-su, secretary-general.

Student Activists Analyzed

SK210112 Seoul THE KOREA TIMES in English 21 Feb 86 p 4

[Text] Government authorities yesterday released an analysis of printed materials of student activists favoring the scrapping of the current Constitution. The following is the gist of the publication, in which the authorities contend that radical student activism aims at overthrowing the present government.

The ideological basis and guidelines for the practice of student radicals over the issue of the Constitution were first systematized in a meeting of representatives of the National Federation of Student Councils (NFSC) last October.

Since then, they have been pursuing the strategy of building a government based on the so-called Minjung (the masses) democracy through the toppling of the current free democracy. They are now extending their "hands of indoctrination" to freshmen to beef up their "revolutionary forces."

It is well shown in pamphlets published by the student council of Seoul National University to be distributed to freshmen undergoing orientation courses, in which they urged the formation of a national alliance for constitutional revision.

A logical conflict seems to appear between the signature-gathering campaign for a constitutional change launched in early February by the opposition political party and the NFSC drive which has been voicing the scrapping of the Constitution.

Revision and rescinding are totally different legal concepts. In the eyes of student activists, however, the two ideas are not incompatible, functioning as their "step-by-step" strategy to build a new nation based on the concept of "the masses."

The signature drive is trying to mobilize as many revolutionary forces as possible to fulfill their goal of a Minjung (the masses) government. In the first phase, therefore, they strive to create social chaos, which will in turn undermine social stability. The second and last phase, of course, is oriented toward the scrapping of the current Constitution and the establishment of a Minjung regime. They are scheming a strategic alliance with the opposition political camp to secure its help to get their final goal.

Leaflets printed by the student council of Songgyungwan University, dated Jan. 14, urged the New Korea Democratic Party "to turn out of the parliamentary arena to the streets for a campaign for mustering up 10 million signatures."

"Such practices are the only way to bring about a consolidation between the NDP and the Council for Promotion of Democracy and all forces for democratization," they charged.

Campus radical groups engineer such revolutionary tactics as leading the opposition side into outside-parliament struggles for an end to the constitutional rule and the foundation of a Minjung regime.

In conclusion, arguments with regard to the Constitution issue demonstrated in campus leaflets might be summarized into one sentence -- "Topple the present government through violence."

They are targeted on setting up a national council for writing a new constitution, in other words, the Minjung Constitution, on which a Minjung democracy will be based. The Minjung democracy is totally different from the free democratic system in the West.

NKDP URGES DJP TO PRESENT DEMOCRATIZATION PROGRAM

SK200025 Seoul THE KOREA TIMES in English 20 Feb 86 p 1

[Text] The leader of the main opposition New Korea Democratic Party demanded yesterday that the ruling camp first present a "program of democratization" to prove its sincerity about discussing constitutional matters in the parliament.

NDP President Yi Min-u said, "If the government really is willing to have debates on the issue, it should withdraw the proposition that such a debate has to be put off till 1989." He also demanded that the government make an announcement that it would revise the supreme law within the term of office of the present President.

He made the remarks in response to ruling party chairman No Tae-u's declaration that the Democratic Justice Party has an intention to debate the constitution issue at the National Assembly if the NDP stops its signature-gathering campaign.

Yi went on, "The (bipartisan) dialogue is possible only if the government does not demand the cessation of the NDP campaign and reveals a democratization schedule first, even if it is not before Aug. 15 (this year), as I had earlier proposed."

He noted that what the NDP wants most to hear from the ruling party is a schedule for the democratization of the nation, adding, "The reintroduction of the direct presidential election system should be a major part of it."

Yi continued, "It is our basic position that we will comply with (the convocation of an extra) House session at any time if it is conducive to the presentation of a democratization program."

NDP floor leader Kim Tong-yong also said that his party will accept the ruling camp's proposal to hold a special assembly session if there are no preconditions.

CHON WARNS OF ATTEMPTS TO SPLIT NATIONAL UNITY

SK190119 Seoul THE KOREA TIMES in English 19 Feb 86 p 1

[Text] Naju, Cholla-namdo -- President Chon Tu-hwan yesterday warned against any attempt to foment the split of national opinions leading to a waste of energies.

"1986 is a very crucial year to decide on the future of our country's destiny. Therefore, any attempts to dissipate the national energies should be foiled without fail," Chon told the provincial officials here.

After receiving a report on this year's regional development programs from Cholla-namdo Gov. Chon Sok-hong at the conference room of Naju City Hall, President Chon called for national unity for the successful execution of significant national undertakings facing the nation. The Chief Executive then asked for a stepped-up regional defense system in this coastal province so as to prevent infiltrations by armed espionage agents designed to obstruct the staging of the Asian Games.

"The Cholla-namdo province is particularly vulnerable to the enemy's coastal invasion in view of its geographical features," Chon told the officials.

President Chon directed the Cholla-namdo officials to double their administrative efforts to make Kwangju a "special city" which is administratively independent of the provincial government.

The local administration was also to intensively push the development of islands in a bid to promote the well-being of the islanders, while increasing support for the needy residents.

The President asked for the positive cooperation from the residents for the early completion of such public projects as the construction of a large-scale steel mill at the Kwangyang Bay and Honam Expressway.

CHON URGES IMPROVED DOMESTIC COMMUNICATIONS LINKS

SK210252 Seoul YONHAP in English 0150 GMT 21 Feb 86

[Text] Seoul, Feb. 21 (YONHAP) -- Korean President Chon Tu-hwan Thursday [20 February] instructed the Communications Ministry to prepare thoroughly for the successful hosting of the 1986 Seoul Asian Games. Citing the need for computerized operations and perfect support for communications operations, including television transmission and international telecommunications, Chon called for the full dedication of communications service personnel.

Following a New Year policy briefing presented by Communications Minister Yi Cha-hon, Chon directed the ministry to make every effort to connect all parts of Korea through simultaneous communication channels in order to improve the international competitiveness of the economy and to boost Koreans' standard of living.

The president said that the Korean Communications Industry has vast markets, both domestic and foreign, and that it should be developed into an export industry through the transfer of advanced technology. Chon also directed the ministry to study ways for Korean telecommunication authorities to deal with a considerable portion of the private sector's research and development activities in the computer and semiconductor industries.

In addition, Chon called for a watertight defense system to prevent the North Korean communists from infiltrating and destroying communications facilities in the South.

FACTORY, CONSUMER PRICES OF OIL PRODUCTS LOWERED

SK191133 Seoul YONHAP in English 1100 GMT 19 Feb 86

[Text] Seoul, Feb. 19 (YONHAP) -- The South Korean Government will lower the factory delivery and consumer prices of oil products by an average of 12.93 percent and 11.2 percent, respectively, effective Thursday [20 February], the energy and resources ministry announced Wednesday.

Although the domestic oil price cut will be accompanied with a rise in the tariff rate on imported crude oil from present 1 percent to 5 percent, the recent declines in the international prices of crude oil will be reflected in the lowering of the domestic sales prices of oil derivatives by full margin to help promote the international competitiveness of Korean industries, Energy and Resources Minister Choe Chang-nak said.

As a result, the consumer price of Bunker C. Oil will decline by 15.3 percent from 185.76 won to 157.35 won per liter, that of kerosene by 10.3 percent from 291 won to 261 won per liter, that of light oil by 10.5 percent from 277 won to 248 won per liter, that of liquefied propane gas by 3.4 percent from 640 won to 618 won per kilogram and that of butane, which is used as fuel resource for general households, by 5 percent from 540 won to 513 won per kilogram (one dollar is worth about 980 won).

The price of high quality gasoline will be lowered by 5.6 percent from 860 won to 840 won per liter, that of middle quality gasoline by 6.1 percent from 660 won to 620 won and that of gasoline for military use by 6.5 percent from 335.02 won to 313.15 won.

The factory delivery price of asphalt will be reduced by 10.7 percent from 200.81 won to 179.31 won per liter, according to the ministry announcement.

The government decision on the oil price cut is based upon the assumption that the average crude import price has come down to 22.89 U.S. dollars per barrel, that the won-dollar exchange rate has stabilized at 892.50 won per dollar and that international interest rates have decreased to 8.56 percent per year, Minister Choe said.

In a related move, the government also decided to lower electricity rates, cutting the power rate for more than 500 kwh by 0.6 percent, that for less than 500 kwh by 10.8 percent and that for household use by 2.1 percent.

The oil price and power rate cut will reduce domestic wholesale prices by 1.87 percent (1.76 percent by the oil price cut and 0.11 percent by the power rate reduction), Minister Choe said.

If crude oil prices continue to decline further on international markets, the government will take follow-up measures to reduce domestic oil prices. But some of future declines will be absorbed into the petroleum business fund and tariff rates to stabilize domestic oil prices, Choe added.

HENG SAMRIN DELEGATION DEPARTS FOR CPSU CONGRESS

BK210514 Phnom Penh Domestic Service in Cambodian 0430 GMT 21 Feb 86

[Text] At the invitation of the CPSU Central Committee, a high-ranking delegation of the KPRP Central Committee led by Comrade Heng Samrin, general secretary of the party Central Committee and chairman of the Council of State, left Phnom Penh at 0800 on the morning of 21 February to attend the 27th CPSU Congress to be held soon in Moscow, the capital of the USSR.

The delegation is made up of female Comrade Men Sam-An, member of the party Central Committee Political Bureau and chairman of the Central Organization Commission; and Comrade Hor Nam Hong, PRK ambassador extraordinary and plenipotentiary to the Soviet Union.

Seeing the high-ranking delegation off at Pochentong Airport were Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of the National Assembly and of the KUFNCD National Council; Comrade Hun Sen, member of the party Central Committee Political Bureau, chairman of the Council of Ministers, and minister of foreign affairs; Comrade Say Phuthang, member of the party Central Committee Political Bureau, chairman of the Central Control Commission, and vice chairman of the Council of State; Comrade Bou Thang, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and minister of national defense; Comrade Mat Ly, member of the party Central Committee Political Bureau, vice chairman of the National Assembly, and chairman of the Kampuchean Federation of Trade Unions; Comrade Ney Pena, member of the party Central Committee Political Bureau, and first deputy minister of interior; and comrade alternate members of the party Central Committee Political Bureau, members of the party Central Committee, alternate members of the party Central Committee, and many leaders from various state institutions, the National Assembly, KUFNCD, and mass organizations. Also present at the airport were Comrade Igor Ognetov, acting charge d'affaires of the Soviet Embassy in Cambodia; Comrade Ngo Dien, SRV ambassador extraordinary and plenipotentiary to the PRK; and representatives of various embassies in Cambodia.

LAO FINANCE MINISTRY DELEGATION ARRIVES

BK120614 Phnom Penh SPK in French 0416 GMT 12 Feb 86

[Text] Phnom Penh, 12 Feb (SPK) -- A delegation of the LPDR Ministry of Finance arrived in Phnom Penh on Tuesday for an official goodwill visit to Cambodia at the invitation of the PRK Ministry of Finance. The delegation, led by Yao Phonvantha, member of the LPRP Central Committee and minister of finance, was greeted on arrival by Chhay Than, alternate member of the KPRP Central Committee and first deputy finance minister of Cambodia, and Pheli Khounlaleuk, Lao ambassador to Cambodia. The delegation will sign with the Cambodian party an agreement on economic and financial cooperation between the two countries for 1986-87.

Received By Hun Sen

BK200644 Phnom Penh Domestic Service in Cambodian 0430 GMT 20 Feb 86

[Text] On the morning of 19 February, Comrade Hun Sen, member of the party Central Committee Political Bureau, chairman of the Council of Ministers, and foreign minister, received the Lao Finance Ministry delegation led by Comrade Yao Phonvantha, member of the LPRP Central Committee and minister of finance, at the office of the Council of Ministers. On that occasion, Comrade Hun Sen warmly welcomed the visit by the delegation and considered it an important contribution to the strengthening and development of relations and cooperation between the Finance Ministries of the two countries -- Cambodia and Laos.

Concurrently, the comrade chairman of the Council of Ministers conveyed his regards to the leaders of the party and state of the LPDR.

In reply, Comrade Yao Phonvantha expressed his profound thanks to our party and state for their attention contributing to the successes of his delegation's visit to Cambodia. The comrade asserted that he will make every effort to further develop the cooperation between the Lao and Cambodian Finance Ministries so that they will obtain more good results in the cause of the defense and construction of the two fatherlands advancing on the path of socialism.

7TH ANNIVERSARY OF PRK-SRV PEACE TREATY MARKED

Friendship Association Get-Together

BK181414 Phnom Penh Domestic Service in Cambodian 1300 GMT 18 Feb 86

[Text] A solemn get-together was held at the PRK-SRV Friendship Association head-18 February to mark the 7th anniversary of the signing of the PRK-SRV treaty of peace, friendship, and cooperation. The get-together was attended by many cadres from various central offices and ministries PRK-SRV Friendship Association chapters in the provinces. After Comrade Chan Ven, general secretary of the Council of State and chairman of the friendship association, took the floor to open the get-together, Comrade Tang Saroem, minister of economic and cultural cooperation with foreign countries, stressed the steady development of the all-round cooperation between the PRK and the SRV during the past 7 years. He also affirmed that the bonds of special friendship and solidarity and all-round cooperation between the PRK and SRV are being strengthened and developed with each passing day. No reactionary force can break them, he said.

In reply, Comrade Nguyen Nha, counsellor of the Vietnamese Embassy accredited to the PRK, highly appreciated the fruitful outcome of the all-round cooperation between the PRK and SRV, which, he said, has benefited the people of each country in their national defense and reconstruction efforts.

The ceremony ended in an atmosphere of joy and cordiality and a spirit of close solidarity after souvenirs had been exchanged.

PRACHEACHON Editorial

BK190702 Phnom Penh SPK in French 1142 GMT 18 Feb 86

[Text] Phnom Penh, 18 Feb (SPK) -- "It is in an atmosphere overfilled with joy and full of optimism that the Cambodian people as a whole mark the 7th anniversary of the Cambodia-Vietnam treaty of peace, friendship, and cooperation," affirmed biweekly PRACHEACHON (THE PEOPLE).

In an editorial dedicated to this event, the journal recalled the signing of this document 7 years ago, on 18 February 1979, by Heng Samrin, then chairman of the PRK Council of State, and Pham Van Dong, chairman of the SRV Council of Ministers who was visiting Cambodia right after its liberation from the genocidal Pol Pot-Ieng Sary-Khieu Samphan regime. This document urges the parties, governments, and peoples of the two countries to make all their efforts to incessantly strengthen the good traditions of special and strategic solidarity and of cooperation between Cambodia and Vietnam on the basis of mutual trust and assistance in all fields, of mutual respect for the independence and sovereignty of each respective country, without interference in each other's internal affairs.

The journal expressed satisfaction with the past 7 years of successful implementation of the treaty which, based on the principles of Marxism-Leninism and socialist internationalism, contributed to the successive victories in the accomplishment of the two strategic tasks of the two peoples. "The great achievements that the Cambodian people have recorded since liberation in national defense and reconstruction efforts constitute a fruit borne by this treaty," noted the Journal before adding that the relations of friendship and special militant solidarity between Cambodia and Vietnam have not ceased to strengthen with each passing day, thus becoming an important factor of victory for the resolution in each country and for peace, stability, and cooperation in Southeast Asia.

Taking advantage of this solemn occasion, the Cambodian people would like to once again express profound thanks and gratitude to the brotherly Vietnamese party, Government, and people for their precious and effective aid and assistance. At the same time, we pledge not to spare any effort to strengthen and consolidate the Cambodia-Vietnam bonds of friendship and militant solidarity and to more effectively implement the 18 February treaty while bringing into full play the spirit of self-reliance for the accomplishment of all tasks defined by the Fifth KPRP Congress, the journal said in conclusion.

Phnom Penh Editorial

BK180740 Phnom Penh Domestic Service in Cambodian 1300 GMT 17 Feb 86

[Station editorial: "Vigorously Strengthen and Intensify the Spirit of the Treaty of Peace, Friendship, and Cooperation Between Cambodia and Vietnam"]

[Text] In a solemn atmosphere when the three countries -- Cambodia, Vietnam, and Laos -- are vigorously celebrating the 56th founding anniversary of the Indochinese Communist Party, the entire Cambodian, the fraternal Vietnamese people, are very elated to celebrate the seventh anniversary of the signing of the treaty of peace, friendship, and cooperation between the PRK and the SRV. Seven years ago, on 18 February 1979, the treaty of peace, friendship, and cooperation between the PRK and the SRV was signed in Phnom Penh. This was a new step of development in the special relations between the two nations -- Cambodia and Vietnam. This has strengthened the Cambodian revolution's position in the international scene.

According to the spirit of this treaty, our two parties, governments, and peoples have made every effort to defend and develop the traditions of militant solidarity, friendship, and multifaceted cooperation. History has clearly shown that the two peoples -- Cambodian and Vietnamese -- have had a long-standing tradition of militant solidarity. This tradition was built and strengthened by President Ho Chi Minh and various Cambodian revolutionary heroes with the flesh and blood of the two peoples, and contributed to the establishment of the special relationship among the three Indochinese countries. The three peoples -- Cambodian, Vietnamese, and Lao -- have always shared weal and woe in the same trench. They have been comrades-in-arms in the struggle against common enemies and have scored great victory for their fatherlands.

The great historic 7 January 1979 victory of the Cambodian revolution was the brilliant result of the valiant and courageous rising of the entire Cambodian people with the timely and effective assistance of the fraternal Vietnamese Volunteer Army. This victory occurred in the PRK whose new regime opened a new era -- an era of independence and freedom. It brought to the Cambodian people the right to be the real masters of their future destiny and their country.

The Cambodia-Vietnam-Laos militant alliance, which is the vanguard of socialism in Southeast Asia, has been vigorously strengthened and developed. During the past 7 years, the Cambodia-Vietnam-Laos militant alliance in general, and the Cambodia-Vietnam special militant solidarity in particular, have developed with new qualities and have been closer than in other times. This militant alliance and special militant solidarity has spread to all fields and has as its only aim to defend national independence and construct socialism in each country and in the three Indochinese countries. The great victories of the Cambodian revolution in the past are due to the correct leadership of the KPRP. The KPRP has always directed the entire Cambodian people to implement the good path of genuine Marxism-Leninism. These victories are the results of the spirit of the treaty between the two peoples -- Cambodian and Vietnamese -- combining with the wholehearted assistance and support of various fraternal socialist countries and progressist international organizations throughout the world.

The visits exchanged by the delegations of the parties, governments, and mass organizations of the two countries -- Cambodia and Vietnam -- led to the agreements of cooperation by the peoples in all fields. Every year, this cooperation has achieved great success which is the hope and the desire of the two peoples. In the past 7 years, under the banners of the KPRP and the CPV, this cooperation has become a strong alliance which has promptly defeated all enemy maneuvers and activities. Furthermore, this cooperation has led the two peoples toward brilliant happiness in the cause of constructing socialism. The two peoples have strengthened their traditions of solidarity and have elevated the banner of proletarian internationalism by linking with the three revolutionary currents of the world. They have waged a common struggle for the cause of their own fatherlands and have contributed to the construction of Southeast Asia as a zone of peace, stability, and cooperation.

Due to this strong strategic alliance, we have defeated all poisonous tricks of the enemies. The fraternal Vietnamese Volunteer Army and people have bitterly defeated all acts of aggression of the Beijing Chinese expansionist-hegemonists against the sovereignty and territorial integrity of the SRV. With the effective assistance of the heroic Vietnamese Volunteer Army, which has been in a proletarian internationalist mission on the Cambodian territory, our army and people have completely defeated all acts of the undeclared war staged by the enemies of the PRK. All poisonous tricks played by the Pol Pot-Son Sann-Sihanouk clique -- lackeys of the Beijing Chinese hegemonists-expansionists in collusion with the U.S. imperialists and the reactionaries in the Thai rightist ruling circles -- aimed at destroying the Cambodia-Vietnam special relationship have been promptly destroyed by our people throughout the country.

Through the period of the past struggle and the present epoch of defending and constructing the fatherland, we have discovered a historic truth. The Cambodia-Vietnam-Laos strategic alliance in general and the Cambodia-Vietnam strategic alliance in particular are the essential factors insuring all victories of the Cambodian revolution and those of the revolutions in the three Indochinese countries against the common enemies in all periods.

With firm confidence in this treaty of peace, friendship, and cooperation, the entire Cambodian people would like to express their most profound gratitude to the fraternal Vietnamese people and are determined to safeguard and cherish the bonds of solidarity between Cambodia and Vietnam. On the occasion of the seventh anniversary of the signing of the treaty of peace, friendship, and cooperation between Cambodia and Vietnam, our entire party, Army, and people pledge to vigorously strengthen and intensify the spirit of this treaty. They are determined to cooperate and unite with one another in following the valiant, courageous, and heroic model of the fraternal Vietnamese people and Volunteer Army. They vow to heighten the mastery and self-reliance spirit and successfully implement all resolutions of the Fifth KPRP Congress for the cause of the Cambodia fatherland advancing toward socialism.

SON SANN DISMISSES 2 GENERALS TO END KPNLF RIFT

HK191320 Hong Kong AFP in English 1248 GMT 9 Feb 86

[Text] Bangkok, Feb 19 (AFP) -- Cambodian nationalist leader Son Sann today said he had ended a two-month power struggle in his Khmer People's National Liberation Front (KPNLF) by dismissing the two generals who have defied him and naming a new military command. He said this was to restore the international credibility of the KPNLF in the Cambodian resistance's battle against the estimated 150,000 Vietnamese troops in Cambodia propping up the Hanoi-installed Heng Samrin government.

The split in the KPNLF leadership, which has in effect paralyzed the movement's military actions, has "damaged not only the KPNLF but also the Coalition Government of Democratic Kampuchea," the United Nations-recognized tripartite government to which the KPNLF belongs, Mr. Son Sann said. He said he had accepted the resignation of KPNLF military commander General Sak Sutsakhan and fired chief-of-staff General Dien Del, who on December 17 led dissidents in claiming to depose Mr. Son Sann for what they said was dictatorial rule and military ineptitude.

Mr. Son Sann said he had appointed General Prom Vith as president of a four-member KPNLF command committee to replace the two generals as the top staff for the KPNLF's 15,000-strong army. Mr. Son Sann also told reporters he had expelled chief civilian administrator Hing Kunthou and another prominent dissident Abdul Gaffar Peang Meth from the KPNLF.

Sources close to Mr Son Sann said he has been under pressure from his international backers to end the KPNLF dispute. The backers include Thailand, which hosts a quarter of a million Cambodian refugees, and the United States, which has granted 3.5 million dollars in non-lethal aid to the non-communist Cambodian resistance. Washington has expressed concern over the bickering within the KPNLF, the resistance's major non-communist force.

Mr Son Sann said: "This decision is already long overdue. We have lost so much precious time. I strongly hope that our friends will continue to support us in our struggle for national liberation."

But confusion still seemed to reign over the balance of power within the KPNLF and whether today's realignment would have meaning beyond enhancing Mr Son Sann's international image. Mr Son Sann said General Dien Del would remain as chairman of a provisional committee of the KPNLF's 10 field commanders, the chiefs of what are basically independent private armies. The provisional committee, formed by the field commanders January 28 to free them from the military paralysis caused by the KPNLF rift, is the resistance group's de facto seat of military power. Mr Son Sann said that since it was functioning well he saw no need to disband it, or to remove General Dien Del as its chairman.

He also said General Sak Sutsakhan would stay in place as KPNLF representative on the Joint Military Command (JMC) formed last month to coordinate joint action by the two non-communist members of the CGDK -- the KPNLF and loyalists to former Cambodian monarch Prince Norodom Sihanouk. The Khmer Rouge, who ruled Cambodia from 1975-79, are the third CGDK faction.

Mr. Son Sann said he had not yet decided exactly what role his new military command would play. He said he still hoped to resolve the KPNLF dispute "in family" and invited "all lost people to re-integrate rapidly in the KPNLF."

SIHANOUK PRAISES RECENT PRK ARMY MUTINIES

BK191223 (Clandestine) Voice of the Khmer in Cambodian 1100 GMT 19 Feb 86

[Text] Prince Norodom Rannarit, personal representative of Samdech Norodom Sihanouk to Cambodia and Asia and supreme commander of the Sihanoukist National Army [ANS], praised the courage and resolute spirit of Heng Samrin soldiers who mutinied against the Vietnamese occupying troops in the country recently. He said that the correct attitude and activities of these Heng Samrin soldiers were highly approved of and appreciated by Samdech Norodom Sihanouk, president of the Coalition Government of Democratic Kampuchea and chairman of the National United Front for an Independence, Neutral, Peaceful, and Cooperative Cambodia. He said that Samdech Norodom Sihanouk urged all Heng Samrin soldiers to further intensify armed attacks against the Vietnamese aggressor troops.

Prince Norodom Sihanouk also reminded all Heng Samrin soldiers of the fact that the Vietnamese aggressors are oppressing and persecuting the Cambodian people, masters of the country, and chasing them out of their homes and fields, which are handed over to Vietnamese nationals.

The prince also recalled the feats of the Heng Samrin soldiers in resisting the Vietnamese aggressor troops last December in Pursat and Siem Reap Provinces, causing heavy losses to the Vietnamese and seizing two tanks. In January, patriotic fighters in the Heng Samrin regime mutinied against the Vietnamese troops, causing them extensive losses. He went on to say that on the Takeo battlefield this February, patriotic forces in the Heng Samrin regime also launched a heavy attack on the Vietnamese aggressor troops in this region.

Recently, the 179th Division of the Heng Samrin army attacked a Vietnamese division in the vicinity of Khleung Poar hill in Thmar Puok District, Battambang Province, destroying Vietnamese materiel and ammunition depots. Moreover, Heng Samrin forces in Siem Reap, Oddar Meanchey, and Battambang Provinces even provided ANS fighters with material aid on many occasions and also closely cooperated with them.

VONADK: SOLDIERS 'MUTINY' AT TRAINING CENTER

BK210135 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 20 Feb 86

[Text] On 20 February, a regiment of Cambodian soldiers who had just been sent to guard the Vietnamese enemies' national training center at ACO west of Kompong Speu Town mutinied against the Vietnamese enemies, killing 14, wounding many others, and destroying 1 ammunition depot and 1 war materiel warehouse that escaped destruction during an attack launched by our national army and Cambodian soldiers on 8 February.

It is noteworthy that on 8 February our national army, together with the fraternal Cambodian soldiers and Cambodian people, attacked and caused great destruction to this national military training center of the Vietnamese enemies. They killed or wounded 300 Vietnamese soldiers and Vietnamese and Lao experts, destroyed 7 large ammunition depots, and liberated 550 Cambodian soldiers there.

We call on the remaining fraternal Cambodian soldiers and those to be sent to protect this national military training center at ACO to continue to mutiny against the Vietnamese enemies. We call on our national army and people nearby to cooperate with the fraternal Cambodian soldiers there in attacking the Vietnamese enemies until this military training center -- an important source for producing forces to commit aggression against and massacre the Cambodian race -- is totally eliminated.

PASASON SCORES CHINA'S ATTITUDE TOWARD SRV

BK191115 Vientiane KPL in English 0913 GMT 19 Feb 86

[Text] Vientiane, February 19 (OANA-KPL) -- The Lao leading newspaper PASASON in a commentary today exposes a true aggressive manner of China toward the Socialist Republic of Vietnam. The paper says that Chinese hegemonists and expansionists have attempted to discredit the efforts and good will of the SRV, specifically speaking, and those of the three Indochinese countries in general. With regard to the normalization of their relations with China, here, the paper reminds its readers that the SRV, during each lunar new year, has proposed a cease-fire to ensure a joyful celebration of new year observed by the Vietnamese and Chinese peoples. In addition, as a gesture of good will, the SRV proposed and released Chinese prisoners. It also proposed a resumption of Vietnamese-Chinese talks on the principles of equality and mutual respect of each other's independence, sovereignty and territorial integrity. The recent 12th conference of the foreign ministers of Vietnam, Laos and Kampuchea in Vientiane reaffirmed the importance of relations and friendship between the three Indochinese and Chinese peoples and the former's aspirations for the restoration of the friendly ties. "The friendly relations and cooperation between the three Indochinese countries and China are important factors guaranteeing peace and stability in Southeast Asia and in Asia," the paper stresses.

"While there exists a trend toward peace and dialogue between Indochina and ASEAN, China, on the other hand, has resorted to all means to disseminate war-atmosphere and to escalate undeclared war against Indochina," the paper points out. Including in its dark schemes, China has manipulated Thai reactionary circles to create a shameful allegation against the Lao PDR. While voicing support to its regional agent and submitting a protest to UNO against Vietnam, China has launched its barbaric artillery bombardment against the northern Vietnamese frontier. The efforts to coordinate its aggressive behaviour with a manipulation of its loyal stooges' hooliganism against Indochina are concrete evidence of a true aggressive attitude being pursued by China toward the three Indochinese countries," the paper concludes.

THAI CHARGES OF LAO ATTACKS 'SLANDEROUS'

BK171651 Vientiane Domestic Service in Lao 0530 GMT 15 Feb 86

[Unattributed commentary: "The Motive Behind the Slandorous Charges Against the LPDR"]

[Text] At present, the patriotic Thai people are carrying out a heroic move calling for the safeguarding of peace and urging the Thai Government to abandon the policy of confrontation and to pursue a policy of developing the neighborly relations with the LPDR and the other Indochinese countries as well as with the other socialist countries. At the third conference of the Joint Public-Private Sector Consultative Committee held in Khon Kaen Province on 24 and 25 January, a number of Thai businessmen -- with good intentions and concerned about the country's destiny -- proposed that the Thai Government increase trade relations with the LPDR by opening more border points.

SIAM RAT newspaper on 29 January carried an article clearly noting that the Thai Government should do away with its suspicions about so-called strategic goods because the other ASEAN countries have sold such items [to the Indochinese countries]. In addition, the Lao and Thai people have maintained close relations. By increasing trade relations with Laos, Thailand only stands to gain economically and would be able to develop better relations with Laos. In the past, Thailand has viewed such relations solely from a security point of view. The world has now changed.

Thailand has been faced with a severe crisis. In early February, a group of parliament members from the northeast planned to submit an urgent call to the Thai Government to open more border points for trade with the LPDR and the other Indochinese countries.

On 26 January, several hundred students from Thammasat and Chulalongkorn Universities staged a demonstration calling for peace, particularly calling on Thailand to improve relations with Vietnam. The activities of these peace and patriotic movements are aimed at safeguarding the country, extricating Thailand from the economic crisis, and allowing the Thai people to live in peace without the danger of war and difficulties.

Instead of paying heed to the aspirations of the Thai people and despite the fact that the Thai ruling circles have repeatedly pledged to do away with the poverty in the country, the ultrarightist reactionaries in the Thai ruling circles have even intensified their service to their foreign masters and have tried to frenziedly wipe out these movements. They have resorted to creating tension along the Thai-Lao and Thai-Cambodian borders and increasing their slanderous campaigns against Laos, Cambodia, and Vietnam. More serious still, they have created a farce to hoodwink the Thai and world people by alleging that Lao soldiers recently crossed the Mekong River by boat to fire on a Thai village in Khemmarat District in Ubon Ratchathani Province.

To render more credibility to their farce, they have stepped up propaganda campaigns both at home and abroad. On 8 February, Thai Army Television Channel 7 interviewed the commander of the Mekong River patrol unit slandering the LPDR. In the meantime, Bangkok and Beijing have also charged that Laos is hostile to Thailand, interferes in Thailand's internal affairs, and wants to annex the 17 northeastern provinces. The farce staged by Beijing and the ultrarightists in the Thai ruling circles as well as other deceitful tricks employed by them will never be able to fool the patriotic and peace- and justice-loving Thai people. On the contrary, the Thai people will come to more clearly understand the truth and will take the initiative in safeguarding their country and their legitimate rights in a more determined manner.

The Lao people wholeheartedly hail the gallantry and good intentions of the Thai people. We strongly aspire to see that the two countries become truly neighboring countries and fully respect each other's independence, sovereignty, and territorial integrity so that our two peoples will be able to build our countries without the evil elements that only want to destroy our two countries.

THAI 'ALLEGATIONS' OF BORDER AGGRESSIONS DECRIED

BK131132 Vientiane KPL in English 0922 GMT 13 Feb 86

[Text] Vientiane, February 13 (OANA-KPL) -- The daily PASASON commenting on the fresh Thai fabrication that "Lao troops launch attack on Thai citizen" says that such move is aimed at diverting the Thai public interest away from the domestic all-round crises caused by the ultra-rightist Thai reactionaries. Regarding this matter, the paper reminds its readers of the Lao Government's categorical rejection as presented in the recent aide-memoire to the Thai ambassador to Laos.

The paper points out that it has always been the case since the total liberation of Laos in 1975 that the Lao side wants to maintain the relations of neighbourliness with Thailand. Particularly so, since the signing of the Lao-Thai joint communiques in 1979 the aspiration of both peoples, the paper underlines, is to lead a peaceful life free from the time honoured tradition of relations between them. [sentence as received] And this very tradition was asked to be restored at the 3rd joint government private sector meeting held in January in the Thai Khon Kaen town.

At this meeting, the representatives of 17 north eastern Thai provinces asked the authority to lift the embargoes items of merchandises arbitrarily imposed against Laos. Such policy, it was voiced, has created economic difficulties for the majority of Thai people living in the area.

Paying no heed to the Thai public, the paper says, the ultra-rightist Thai authority worsens the situation by its fresh fabrication. "No single Lao soldier has violated the Thai territory. But the reverse is true." Here, the commentary cites the attack and invasion of the Lao territory in the three hamlets of the north-western Lao province of Sayaboury, the constant violation of the Lao territorial waters and air space. The paper concludes nevertheless that the Lao side stands firm to the unchanging principle to peacefully co-exist with Thailand, on the one hand, but will also rebuff all acts of provocation of the ultra-rightist reactionaries, on the other.

NOUHAH PHOUMSAVAN DELEGATION RETURNS FROM CUBA

BK181425 Vientiane Domestic Service in Lao 1400 GMT 13 Feb 86

[Text] The LPRP delegation led by Comrade Nouhak Phoumsavan, member of the party Central Committee Political Bureau and first vice chairman of the Council of Ministers, returned to Vientiane by a special flight on the afternoon of 13 February after attending the third congress of the Communist Party of Cuba.

Welcoming the delegation at the airport were Comrade Sisomphon Lovansai, member of the party Central Committee Political Bureau and vice chairman of the SPC; Comrade Sali Vongkhamsoo, secretary of the party Central Committee, vice chairman of the Council of Ministers, and chairman of the State Planning Committee; Comrade General Sisavat Keobounphan, secretary of the party Central Committee and minister of interior; Comrade Khamphai Boupha, member of the party Central Committee, first deputy head of the party Central Committee Foreign Relations Commission, and first deputy foreign affairs minister; and other comrade deputy ministers and cadres concerned.

Comrade Mario Garcia, Comrade Vladimir Sobchenko, and Comrade Nguyen Xuan, respectively ambassadors extraordinary and plenipotentiary of Cuba, the USSR, and the SRV to Laos, were also on hand at the airport to welcome Comrade Nouhak Phoumsavan and his party.

LEADERS GREET IRANIAN REVOLUTIONARY ANNIVERSARY

BK171149 Vientiane KPL in English 0859 GMT 17 Feb 86

[Text] Vientiane, February 17 (KPL) -- Souphanouvong, president of the Lao PDR, and Kaysone Phomvihan, chairman of the Council of Ministers, jointly sent a telegramme to Seyyed Ali Khamenei, the president of the Islamic Republic of Iran, on the occasion of the national day of Iranian Republic.

The message writes: "On the occasion of 7th anniversary of the victory of the Iranian revolution, on behalf of the Lao people and government of the Lao PDR, and in our own names, we are very glad to send you and, through you, to the Iranian people our congratulations and best wishes of happiness, prosperity and success in the struggle against the imperialists to safeguard the Iranian independence and sovereignty.

'DISCUSSION' ON U.S. MILITARY BASES TO BE HELD

HK201146 Hong Kong AFP in English 1103 GMT 20 Feb 86

[Text] Bangkok, Feb 20 (AFP) -- The United States and Thailand are to hold a "discussion", of unspecified nature, on the issue of U.S. military bases now in the Philippines, a reliable Western diplomatic source said here today. The source, who is familiar with the issue, said however that Washington had no plan to request the Thai Government to allow U.S. military bases to be installed again in Thailand. The United States withdrew all its military bases from Thailand following the end of the Indochina war more than 10 years ago.

The source, who requested anonymity, said no contact on the issue had so far been made between Thai and American officials. The issue has been "dormant for the past few years," but there will be a discussion between the Americans and Thais on the matter in view of the current political instability in the Philippines, said the source, who refused to elaborate.

Secretary of State George Shultz yesterday told the Senate budget committee in Washington that the United States should put its commitment to "democracy and freedom" above the U.S. bases in the Philippines. His remarks were seen as a hint that Washington might consider withdrawing from Subic Bay and Clark Air Field if it decided that Philippine President Ferdinand Marcos had been re-elected by fraud and no longer had popular support.

Thai Deputy Defense Minister Phaniang Kantarat said on Tuesday that Washington might not need to move military bases to Thailand if it had better options elsewhere. Mr Phaniang said he understood the U.S. had drawn up contingency plans to cope with such an eventuality. Mobile military bases could be just as effective as those which were fixed and the U.S. had the capacity to establish such facilities, he said.

SIAM RAT Opposes Bases Idea

BK200946 Bangkok SIAM RAT in Thai 20 Feb 86 p 3

[Editorial: "U.S. Bases in Thailand"]

[Text] News is being spread around that the U.S. Government is interested in establishing military bases in Thailand but it does not say why. This news has spread by word of mouth. We are puzzled by this piece of news and believe that there may be a grain of truth in it. It is probably true that the U.S. Government has approached the Thai Government on the matter. This must have been top secret information but it was leaked when some government officials hinted that Thailand's economic problem and its susceptibility to external aggression could be avoided if the government permitted the establishment of U.S. bases here.

We disagree with this matter and condemn whoever agrees with it. There was once a U.S. military base in Thailand. We can still remember that the presence of U.S. bases in Thailand caused our neighboring countries -- Vietnam, Laos, and Cambodia -- to lose their dependence. These countries are now under the influence of East European bloc countries. When U.S. bases were located here, Thailand suffered political and cultural repercussions. It can be said that genuine Thai culture was destroyed by U.S. soldiers based here. Even today Thailand and the Thai people still feel the social impact caused by the presence of U.S. bases here.

We feel that people who are willing to permit the reestablishment of U.S. bases here for economic reasons are Thai in name only -- they just happened to be born here. They are very selfish and do not care what disaster the near future may bring. This type of Thai deserves scathing condemnation.

Thailand cherishes peace. No Thai wants to wage war against any country. We merely want to preserve our independence and freedom by ourselves. We do not want to be protected by any foreign military base. We want to be on record as the first to say this publicly.

DEPUTY PRIME MINISTER WELCOMES DPRK DELEGATION

BK201412 Bangkok Television Service in Thai 1230 GMT 19 Feb 86

[Text] Deputy Prime Minister Phichai Rattakun this afternoon welcomed Kim Hwan, Korean Politburo member, vice chairman of the Committee on Economic Policy, and secretary general of the DPRK Workers Party Central Committee; and Yi Won Kuk, the DPRK vice foreign minister, and their delegation who are making a 6-day official visit to Thailand. During the visit, the group is scheduled to call on Prime Minister General Prem Tinsulanon and hold discussions on trade between the two countries. The DPRK needs some of Thailand's exports, including rubber, ore, and tapioca.

[Begin Phichai Rattakun recording] This will enable us to reach an accord on expanding trade and exchange of goods. Last year, North Korea imported 400,000 tons of tapioca from us. This year, it has set a target of 800,000 tons of tapioca. North Korea is also interested in buying from Thailand tin ore, rubber, and many other items. There are many other goods North Korea can buy from us. Meanwhile, we might import from North Korea a large amount of sheet iron. The visit is therefore aimed at enabling both sides to discuss bilateral trade ties in addition to strengthening friendly relations between Thailand and North Korea. [end recording]

SUPREME COMMAND OFFICER ON CAMBODIA, SRV MOVES

BK201029 Bangkok Domestic Service in Thai 0530 GMT 20 Feb 86

[Recorded statement by Lieutenant General Wicit Bunyawat, director general of the Supreme Command Headquarters' Information Office, given to newsmen at Building 704 of the Supreme Command Headquarters in the morning of 20 February]

[Text] The proposal for talks on the Cambodian issue put forward by Vietnam and its supporters is nothing new. Vietnam has made several proposals, but all of them have contained conditions that the CGDK and the countries concerned cannot accept, because those conditions benefit only Vietnam. One such condition is the elimination of some factions from the CGDK and their exclusion from participating in solving the problem. All these are designed to foment division and reduce the unity of the CGDK, which shows the insincerity of the side that has caused the Cambodian problem. In fact, the UN General Assembly has adopted measures to resolve the Cambodian issue for 7 years by calling on Vietnam to withdraw its troops from Cambodia and grant the Cambodians self-determination. Many countries in the world have agreed with these measures as the only way to settle the Cambodian problem effectively. But, they are ignored by Vietnam and its supporters. Now when the problem's creator and its supporters agree to solve the problem through peaceful -- or political -- means, they should review the UN resolutions, which should enable a faster resolution of the issue than other methods.

As for the military situation inside Cambodia, Vietnam is still preparing for its military operation against the CGDK in the areas opposite Ta Phraya District, the area where the three borders meet, and opposite Ubon Ratchathani Province by moving and rotating forces, erecting barriers, and planting land mines to prevent CGDK forces and Cambodian civilians from fleeing into Thai territory. Especially where the borders of Thailand, Laos, and Cambodia meet and opposite Ubon Ratchathani and Sisaket Provinces, Vietnam has deployed no less than two divisions to confront the CGDK forces, causing frequent incidents in this area. Vietnamese troops have also infiltrated into Thai territory, causing clashes and several incidents of Thai authorities' stepping on land mines. However, there were no major or serious military operations along the Thai-Cambodian border as there have been in the past dry seasons.

AIR FORCE PLANES STRAFE, BOMB SRV INTRUDERS

BK210109 Bangkok THE NATION in English 21 Feb 86 p 5

[Excerpt] Air Force planes strafed and bombed Vietnamese troops who last week intruded and dug in up to five kilometres inside Thailand in Ubon Ratchathani where four Thai soldiers were killed and four others wounded by booby traps on Wednesday, senior military officials said yesterday. Air Vice Marshal Sommut Sunthorawatt, the Air Force spokesman, told a monthly news conference that about three platoons of Vietnamese troops seized three strategic hills in Nam Yun District for two weeks. He said Air Force planes were used to bomb the intruders who were dug in on hilly and thickly-jungled terrain.

Army Spokesman Maj Gen Nareudon Detpradiyut said the Vietnamese were pushed back on Feb 13 but did not give the number of casualties.

Supreme Commander Gen Athit Kamlang-ek, meanwhile, said yesterday that four Thai soldiers who were on border patrol in Noen Sung Village of Nam Yun District were killed when they stepped on booby traps. Four others were also wounded. He said the soldiers were rangers and engineering troops. But he declined to say whether the booby traps were made in the Soviet Union.

Thai military authorities have uncovered thousands of Soviet-made booby traps planted by the Vietnamese along the Thai-Kampuchean border. Athit said that during his visit to the U.S. Pacific Command in Hawaii early this month, the U.S. commander was interested in the booby traps planted along the Thai-Kampuchean border and asked the Thai side for more details.

The Supreme Commander said that the general situation on the border was quiet and calm despite sporadic skirmishes. The casualties on the Thai troops were mainly caused by booby traps, he said.

Meanwhile, Supreme Command Spokesman Lt Gen Wichit Bunyawat told the news conference that the Vietnamese were still making preparations for an offensive against Khmer resistance guerrillas.

4 SOLDIERS KILLED BY USSR LANDMINES IN SRV BATTLE

BK210149 Bangkok BANGKOK POST in English 21 Feb 86 p 1

[Excerpts] Four Thai soldiers were killed and four others wounded after they stepped on Soviet-made booby traps during an operation on Wednesday to dislodge Vietnamese troops who have reportedly intruded four kilometres into Thailand. The incident took place in Ubon Ratchathani's Nam Yun District where tanks from the 21st Cavalry Battalion are helping troops drive Vietnamese forces from Hill 352.

An Air Force spokesman said that last week Thai jets were used to drive three Vietnamese platoons from three strategic hills in Nam Yun District.

Meanwhile Supreme Command spokesman Lt-Gen Wichit Bunyawat said that Vietnam had deployed two divisions of troops opposite Ubon Ratchathani and Sisaket provinces. The deployment had resulted in frequent clashes between Thai and Vietnamese patrols and Thai casualties from landmine explosions, he said.

Further south, opposite Chanthaburi Province, nine Thai soldiers were wounded by landmines during the past month.

Lt-Gen Wichit said that despite Vientiane's request for Thailand to open more border points to facilitate trade, Laotian forces had continued attacking Thai officials and villagers in certain areas. Laos has also stepped up its propaganda attacks against Thailand -- an action not conducive to improving neighbourly relations, he said.

DRIVE AGAINST MALAYSIAN GUERRILLAS TO CONTINUE

BK201007 Bangkok NAE0 NA in Thai 20 Feb 86 p 3

[Text] The commander of the 4th Army Region has said that suppression of terrorist groups will continue and the current campaign against Malaysian communist guerrillas has resulted in communist camps captured and 14 Thai officials wounded by land mines. Lieutenant General Wanchai Chitchamnong, the 4th Army Region commander, disclosed on 19 February that many people had the mistaken impression that recent reports of the capture of camps and clashes mean that communist terrorists and Malaysian communist guerrillas have become active again. The fact is that the 4th Army Region initiated the sweep, which has resulted in the seizure of many weapons, most of which belonged to communist terrorists who hid them before leaving the jungle.

Wanchai said combined Civilian, Military and Police [CMP] units are in charge of anti-terrorist campaigns in their areas. In the past week, the 41st CMP unit in Thung Song District, Surat Thani Province, launched operation 4101/3/29 and captured many communist terrorist weapons. The 42d CMP unit of Wiphawadi Rangsit camp in Surat Thani, led by Colonel Wiset Siriwatthanakun, launched operation 4203/29 in Khian Sa and Phanom Districts, Surat Thani, and captured many weapons and five more communist terrorists. The 43d CMP unit, led by Col Chamnong Phairot, launched operation 4302/29 and captured many Malaysian communist weapons and camps.

Wanchai said the 4th Army Region regards Malaysian communists as extortionists because they demand protection money from Thai rubber planters. Although suppressors had no assistance from Malaysia, Malaysian guerrillas must be suppressed because they set up bases in Thai territory.

LE DUAN TO LEAD CPV DELEGATION TO CPSU CONGRESS

BK201440 Hanoi Domestic Service in Vietnamese 1432 GMT 20 Feb 86

[Text] At the invitation of the CPSU Central Committee, the CPV Central Committee has decided to appoint a delegation led by Comrade Le Duan, general secretary of the party Central Committee, to attend the 27th CPSU Congress. The delegation also includes Comrades Vo Chi Cong, member of the Political Bureau and secretary of the party Central Committee; Hoang Tung, secretary of the party Central Committee; Vu Quang, member of the party Central Committee and director of the party Central Committee International Department; and Dinh Nho Lien, member of the party Central Committee and Vietnamese ambassador to the Soviet Union.

'NO BASIC CHANGE' IN REGIME'S POSITION ON MIA'S

HK200940 Hong Kong APT in English 0820 GMT 20 Feb 86

[By Laurent Maillard]

[Text] Hanoi, Feb 20 (AFP) -- While U.S. congressmen described their recent talks on the fate of Americans missing in Vietnam as a "breakthrough," most observers here agreed that Hanoi had made no basic change in its position. Somewhat conflicting assessments have emerged from the talks here Friday and Saturday between the nine-member congressional delegation and Vietnamese Vice Foreign Minister Hoang Bich Son.

Congressman Gerald Solomon, who headed the American delegation, spoke of a "major breakthrough" and a "dramatic shift" in Hanoi's position on the issue of U.S. servicemen missing in action (MIA) during the Vietnam war. Mr Son told reporters after the talks it was possible that some Americans who "illegally infiltrated" into Vietnam after the war ended more than a decade ago might still be in areas which remained beyond Hanoi's control. But the observers here said the statement itself represented no real change in the Vietnamese stand that they were holding no live American MIA's.

Even the recognition by Hanoi that some Americans might still be alive in Vietnam is not new. U.S. Senator Frank Murkowski said after talks here last month that the Vietnamese did not rule out the possibility Americans might be in this country of their own will, but Hanoi had no information about it.

The latest talks did, however, throw some light on the subject with Vietnam providing for the first time some thoughts on what kind of Americans might still be in the country. A Foreign Ministry communique "elaborated" on Mr Son's comments by saying that such Americans might have been "planted behind for a post-war plan" or "illegally infiltrated" into Vietnam after the communist victory. It said that after the war ended, the Vietnamese authorities captured three people, apparently infiltrators, but they were freed and repatriated.

Neither Mr Son nor the communique mentioned a third category -- deserters remaining here like the French troops of a generation previous who started families and lived quiet lives, often in remote mountain areas. Mr Solomon, a New York Republican who heads the house of representatives task force on prisoners of war and MIA's, has included deserters among those who could be still living in Vietnam.

"Nothing essentially has changed," a Western diplomat said Tuesday. "The Vietnamese repeated once more that they were not holding any American and had no knowledge of any American living in Vietnam. For the rest, they only acknowledged the evidence.

No government can say that there are no foreigners living clandestinely on its territory, above all in a country with such difficult geography and communications."

But most observers saw the information provided by Hanoi, as well [as] the reports that Vietnamese investigators were checking out "live sightings" of Americans, as new good-will gestures towards Washington. Foreign diplomats here were skeptical that the search efforts would bear much fruit. "But in any case the Vietnamese are the winners," said one. "They have clearly freed themselves of the responsibility. If an American is found alive it will be thanks to their efforts. If not they can say that they did their best."

NHAN DAN EDITORIAL ON AWARDS GIVEN PRK LEADERS

BK180859 Hanoi Domestic Service in Vietnamese 2300 GMT 16 Feb 86

[17 February NHAN DAN editorial: "A New Brilliant Manifestation of the Vietnam-Cambodia Special Relationship"]

[Text] In the first days of spring our people were extremely elated to learn that the State Council of our country has decided to confer the Gold Star Order on Comrade Heng Samrin, general secretary of the KPRP Central Committee and chairman of the PRK Council of State, and the Ho Chi Minh Order on Comrades Chea Sim, Hun Sen, Say Phuthang, Bou Thang, and Chea Soth. These orders are high and coveted Vietnamese state honors.

Comrade Heng Samrin and the other Cambodian party and state leaders are eminent sons of the Cambodian people whose lives are closely linked with the tragic and heroic history of Cambodia and with the resounding 7 January 1979 victory of the Cambodian people, who smashed the Pol Pot-Ieng Sary-Khieu Samphan genocidal regime and regained genuine mastery. Since the PRK was founded, in their important positions Comrade Heng Samrin and the other party and state leaders have made great contributions to vigorously promoting national revival and leading the Cambodian revolution from one victory to another with ever stronger position and greater strength, thereby ensuring its unstoppable advance.

Comrade Heng Samrin and the other party and state leaders are not only the venerated and beloved leaders of the Cambodian people, but also extremely respected great friends of the Vietnamese people who have made very great contributions to consolidating and strengthening the special friendship, militant solidarity, and comprehensive cooperation between Vietnam and Cambodia. Their untiring activities aimed at cultivating the Vietnam-Cambodia special relations reflect the noble spirit of proletarian internationalism.

By awarding our highest national orders to Comrades Heng Samrin, Chea Sim, Hun Sen, Say Phuthang, Bou Thang, and Chea Soth, our party, state, and people would like to sincerely express our profound gratitude for the strong support and timely assistance given the Vietnamese revolutionary cause by the Cambodian party, state, and people and by these comrades themselves. While struggling staunchly for the independence and freedom of their own homeland and the happiness of their own people, the comrade leaders of the Cambodian party, state, and people have ceaselessly devoted themselves to strengthening the close militant solidarity and the relations of comprehensive cooperation among the three fraternal nations of Cambodia, Laos, and Vietnam, thereby cultivating the primary factor in our victory and contributing to building Southeast Asia into a zone of peace, stability, friendship, and cooperation.

The Vietnamese and Cambodian peoples enter 1986 with buoyant enthusiasm and confidence. Last year, despite having to surmount untold difficulties and trials imposed by natural calamities and enemy attacks, both Vietnam and Cambodia achieved substantial results and progress in their revolutionary undertakings.

Many new achievements were also recorded in cooperation between the two countries. Reality has shown ever more clearly the extremely important significance of the special relations between our two fraternal nations. At the recent grand meeting marking the PRK's 7th national day, Comrade General Secretary Heng Samrin stressed: the victories won over the past 7 years were the victories of the strength of national unity, first of all the unity of working people under the party leadership, and the strength of international solidarity, first of all the solidarity among Cambodia, Vietnam, and Laos.

At the moment when the Vietnamese and Cambodian peoples are celebrating the 7th anniversary of the signing of the Vietnam-Cambodia Treaty of Peace, Friendship, and Cooperation, the awarding by our state of the Gold Star and Ho Chi Minh orders on the comrade Cambodian leaders has turned these days into festivals of the pure and loyal special friendship between our two countries. This event is a valuable source of encouragement for our two nations. The two fraternal countries, long united and always fighting shoulder to shoulder to win victory together, will unite and cooperate with each other even more closely to make the Vietnam-Cambodia special relations flourish ceaselessly.

On this occasion, we respectfully extend our warm greetings to Comrade General Secretary Heng Samrin and Comrades Chea Sim, Hun Sen, Say Phuthang, Bou Thang, Chea Soth, and other Cambodian party and state leaders. Together with the fraternal Cambodian people, the Vietnamese people pledge to cultivate incessantly the loyal and pure friendship and the relations of comprehensive cooperation between Vietnam and Cambodia to make them evergreen and everlasting in the interests of the two nations and of peace, stability, friendship, and cooperation in Southeast Asia and rest of the world.

BIOGRAPHIES OF HONORED PRK LEADERS REPORTED

BK190937 Hanoi Domestic Service in Vietnamese 1430 GMT 17 Feb 86

[Text] Following are biographies of the Cambodian party and state leaders on whom awards have been conferred by our party and state:

Heng Samrin was born on 25 May 1934 at (Kak) village in Ponhea Krek District, Prey Veng Province. He joined the revolution in 1959 and has held many important positions in the Army and party. In May 1978, he led a number of army forces in an uprising against the Pol Pot regime. Later, he coordinated with other insurgent forces throughout the country in organizing a force to resume the revolution together with the Vietnamese Volunteer Army, leading to the historic victory on 7 January 1979.

He has held various positions, such as chairman of the Kampuchean National United Front for National Salvation Central Committee from 2 December 1978 and member of the National Committee for Party Building from January 1979 to the fourth party congress in May 1981. He was elected to the Central Committee and appointed to the KPRP Central Committee Political Bureau. He has served as general secretary of the KPRP Central Committee since December 1981 and as chairman of the People's Revolutionary Council of the PRK since 8 January 1979. In July 1981, in compliance with the PRK's new Constitution, the PRK Council of State was established and he was appointed chairman of the council.

After the 7 January 1979 victory, on behalf of the Cambodian party and state, he signed the SRV-PRK treaty of peace, friendship, and cooperation on 18 February 1979. He has led various PRK party and state delegations on official visits to Vietnam and Laos and to attend party congresses and important anniversaries in these countries, as well as to participate in other important international activities.

In his activities he has made many great contributions to consolidating and strengthening the special friendship, militant solidarity, and comprehensive cooperation between Vietnam and Cambodia as well as among Vietnam, Cambodia, and Laos.

Chea Sim was born in 1932 in Svay Rieng Province. He has participated in revolutionary activities since 1952 and first joined the party in 1959. His current positions are member of the KPRP Central Committee Political Bureau, chairman of the PRK National Assembly, and chairman of the National Council of the KUFNCD.

He has made many outstanding contributions to the historic victory on 7 January 1979 and to the consolidation and strengthening of the special friendship, militant solidarity, and comprehensive cooperation between Vietnam and Cambodia as well as among Vietnam, Cambodia, and Laos.

Hun Sen was born in 1951 in Kompong Cham Province. He joined the party on 30 August 1972. His current positions are member of the KPRP Central Committee Political Bureau and chairman of the Council of Ministers and foreign minister of the PRK.

He has made many outstanding contributions to the historic victory on 7 January 1979 and to the consolidation and strengthening of the special friendship, militant solidarity, and comprehensive cooperation between Vietnam and Cambodia as well as among Vietnam, Cambodia, and Laos.

Say Phuthang was born on 17 July 1925 at Khlong Yai village in the Khlong Yai District of Trat Province, Thailand. He joined the resistance on 12 April 1949 and the party on 17 July 1951. His current positions are member of the KPRP Central Committee Political Bureau and chairman of the party Central Control Commission.

He has made many outstanding contributions to the historic victory on 7 January 1979 and to the consolidation and strengthening of the special friendship, militant solidarity, and comprehensive cooperation between Vietnam and Cambodia as well as among Vietnam, Cambodia, and Laos.

Bou Thang was born in 1938 in Veun Sai, Ratanakiri. He joined the revolution on 1 May 1954 and the party on 30 May 1964. His current positions are member of the KPRP Central Committee Political Bureau and vice chairman of the Council of Ministers and defense minister of the PRK.

He has made many outstanding contributions to the historic victory on 2 January 1979 and to the consolidation and strengthening of the special friendship, militant solidarity, and comprehensive cooperation between Vietnam and Cambodia as well as among Vietnam, Cambodia, and Laos.

Chea Soth was born on 3 March 1928 at Roka village in Peareang District, Prey Veng Province. He joined the revolution on 3 March 1949 and the party on 12 August 1950. His current positions are member of the KPRP Central Committee Political Bureau and vice chairman of the Council of Ministers and planning minister of the PRK.

He has made many outstanding contributions to the historic victory on 7 January 1979 and to the consolidation and strengthening of the special friendship, militant solidarity, and comprehensive cooperation between Vietnam and Cambodia as well as among Vietnam, Cambodia, and Laos.

VILLAGE MILITIAS BEING FORMED TO FIGHT GUERRILLAS

HK191009 Hong Kong AFP in English 0841 GMT 19 Feb 86

[By Laurent Maillard]

[Text] Hanoi, Feb 19 (AFP) -- Vietnamese-backed local authorities in Cambodia are working to establish an armed village militia to counter activity by resistance guerrillas, it was disclosed here. The authorities are also moving to boost the influence of the communist party at local level, the Vietnamese party daily NHAN DAN said yesterday.

"There is now a militia force in almost every village and hamlet," the newspaper said in an article on Cambodia's northern border province of Preah Vihear, adding that authorities were working to "speed up the setting up" of the forces. NHAN DAN said the militias were responsible for protecting the localities and the security of inter-village communications.

At the same time, authorities have set up "local forces" responsible for "mobile missions within each district and within the province," the daily said. These forces, set up in the province and its seven constituent districts were composed of "volunteer troops" from southern Vietnam, NHAN DAN said. It did not make clear whether Vietnamese were also involved in the village militias.

Preah Vihear Province, where the borders of Thailand, Laos and Cambodia meet, is one of the bastions of the three-faction guerrilla coalition fighting the Phnom Penh government, according to reports reaching here. The three groups have claimed increasing success this year in both guerrilla actions and in rallying fellow Cambodians to their cause.

(The Khmer Rouge, whose some 30,000 fighters constitute the most powerful resistance force, have reported hundreds of desertions in the Army of Phnom Penh President Heng Samrin and several cases of Heng Samrin troops firing on Vietnamese soldiers. Thai military spokesmen have confirmed many of these reports.)

Observers said that the system which NHAN DAN described in Preah Vihear Province, corresponded to existing structures in Vietnam. This country has local resident's militias, regular provincial troops dependent on separate provincial commands and national forces under Hanoi's defence ministry. Hanoi has over the past few years been helping the Phnom Penh government it installed in 1979 to build up its own military strength against the guerrilla forces put at between 40,000 and 50,000 men.

Most recent estimates put the strength of Phnom Penh's regular army at 30,000, while the strength of the local forces remains an unknown. Vietnam has said it will withdraw all its troops, estimated at between 150,000 and 170,000 from Cambodia by 1990.

In parallel with a military build-up operation, local authorities in Cambodia are also working to boost the presence of the ruling People's Revolutionary Party of Kampuchea at district level, NHAN DAN said. Provincial party officials "regularly go to the districts and the communes," where they sometimes remain for several weeks to "choose young cadres who are enthusiastic, have a certain level of education and come from politically pure families," it said. Such officials could then "go and strengthen the apparatus of power," NHAN DAN added.

A recent congress of the Cambodia party, which is presently relatively small with only a few thousand members, spotlighted the party's weak position at local level and called for swift measures to boost it.

NHAN DAN said Vietnamese aid to the rural population in the northern province was also crucial to strengthening the Phnom Penh government's authority there. "Vietnamese experts have been to every village to help restart production, build schools and dispensaries or give medical care to the population," it said. The article said that more than half the province's population could now read and write, "whereas they were 90 percent illiterate" seven years ago, when Hanoi troops ousted the Khmer Rouge regime in Phnom Penh.

PRC'S ANTI-VIETNAM ACTS, LAND-NIBBLING SCORED

BK201110 Hanoi International Service in English 1000 GMT 20 Feb 86

[Radio commentator's "analysis"]

[Text] In a memorandum made public in early February this year, the Chinese authorities shifted blame on Vietnam for the tension at the Sino-Vietnamese border. They claimed that China always advocates the safeguarding of regional and world peace. So what is the truth? Our commentator has the following analysis:

During the 3 days of the lunar new year festival, 7-9 February, Chinese troops fired nearly 1,000 rounds of mortar and artillery on Vi Xuyen District in the Vietnamese border province of Ha Tuyen. On the same day, several groups of Chinese commandos laid an ambush along the borderline and intruded into Dong Van District of the same province. Early on 28 January, Chinese troops fired more than 40,000 mortar rounds on 40 populated areas in the border provinces of Ha Tuyen, Hoang Lien Son, and Lai Chau. Meanwhile, many Chinese infantry units conducted land-nibbling attacks on several places in Vi Xuyen District, Ha Tuyen Province.

Worthy of note is that on the 1st day of this year, the International Year of Peace, the head of the Chinese ruling party visited Hoang Sa [Paracel] Archipelago of Vietnam, which has been occupied by China since 1974. This is an act in gross violation of Vietnam's sovereignty and territorial integrity. Moreover the Chinese authorities continue to maintain permanently a big armed force including many Army corp and regular divisions along the Sino-Vietnamese border. They have sent more aircraft to the airports near the Vietnamese border and transferred military equipment and war means close to the border in an attempt to maintain permanent pressure and carry out war of land-grabbing against Vietnam. At the border of Vi Xuyen District, Ha Tuyen Province alone, Chinese troops conducted 150 land-grabbing attacks in 1985.

Those criminal moves of China caused a permanently tense and hot situation along the Sino-Vietnamese border and many human and material losses to the Vietnamese people. Last year alone Chinese troops killed 90 Vietnamese civilians, wounded 170 others, and abducted to China over 30 persons. But that is not all. The Chinese authorities even laid mines on the rivers running from China to Vietnam. Since May last year there have been more than 100 mine explosions along the Lo and the Red Rivers which pass through the provinces of Ha Tuyen, Vinh Phu, Ha Son Binh, Ha Nam Ninh, and Thai Binh. These explosions have killed 30 persons and wounded 60 others.

Beijing's anti-Vietnam acts have aroused strong world indignation. The Mongolian national radio on 10 February criticized the Chinese authorities' threats against Vietnam, saying that Beijing is attempting to legalize recent aggressive acts against Vietnam. It affirmed that Beijing's designs are an illusion and will fail.

MALAYSIAPAKISTAN WILLING TO ASSIST DEFENSE INDUSTRY

BK201207 Kuala Lumpur BERNAMA in English 1148 GMT 20 Feb 86

[Text] Kuala Lumpur, Feb 20 (OANA-BERNAMA) -- Pakistan is willing to help Malaysia develop its defence industry and is working through a joint Malaysia-Pakistan committee to identify areas for possible collaboration from the Defence Ministries of the two countries and [as received] will set up following Prime Minister Dr Mahathir Mohamad's visit to Pakistan in 1984.

Gen Talat, who is chairman of the government-owned Pakistan Ordnance Factories (POF), said a possible area for collaboration was probably in the field of ammunition production, particularly artillery ammunition. The general is here for the "Defence 86" military hardware exhibition at the Putra World Trade Centre.

POF, the single largest industrial enterprise in Pakistan and the manufacturer of small and medium arms, ammunition, explosives, propellants and related products, was in a position to assist Malaysia in the production of artillery ammunition, he said.

POF, which has a complex of 14 different plants in north Pakistan and employs about 40,000 people, in addition to fulfilling the requirements of the Pakistani Armed Forces, is exporting about U.S. \$30 million to U.S. \$35 million or 15 to 20 per cent of its total annual production. The products are exported to about 30 countries mostly in West Asia, Africa and Asia, including Malaysia.

POF products include automatic rifles, sub-machine guns, machine guns and heavy machine guns, rocket launchers, mortars, and artillery, tanks, aircraft and anti-aircraft ammunition.

CAMBODIA'S RANNARIT ARRIVES, VIEWS STRUGGLE

BK181639 Kuala Lumpur BERNAMA in English 1631 GMT 18 Feb 86

[Text] Kuala Lumpur, Feb 18 (BERNAMA) -- The Kampuchean resistance faction loyal to Prince Norodom Sihanouk is well prepared to face the long-delayed Vietnamese dry season offensive expected anytime now, his son Prince Norodom Rannarit said Tuesday night.

The Sihanoukian Nationalist Army (ANS) which is preparing to face the Vietnamese forces had adequate supplies and logistics and had adopted the right tactics, Prince Rannarit said.

"The Vietnamese occupation forces will have to face an adequately armed and highly mobile guerilla force if it decides to carry on the offensive this time round particularly in the Siem Reap and Battambang Provinces -- ANS operational areas." He was speaking to BERNAMA on arrival at Kuala Lumpur's Subang International Airport for a two-day visit to Malaysia.

"Some 6,000 ANS troops have so far managed to infiltrate behind Vietnamese lines," he said. "The resistance forces are slowing down the traditional Vietnamese dry season offensive by disrupting the enemy line of communications and logistics supply routes," Prince Rannarit said.

He said that his visit to Malaysia was to express gratitude for her support for the CGDK struggle.

"I will brief Malaysian officials on the current situation facing the Kampuchean resistance fighters particularly our preparations for the expected Vietnamese dry season offensive," Prince Rannarit said.

Prince Rannarit will call on Foreign Minister Tengku Ahmad Rithauddeen and Deputy Foreign Minister Kadir Sheikh Fadzir.

Hopes for More Aid

BK190819 Kuala Lumpur BERNAMA in English 0800 GMT 19 Feb 86

[Text] Kuala Lumpur, Feb 19 (OANA-BERNAMA) -- The Joint Military Command (JMC) of the Khmer People's National Liberation Front (KPNLF) and the Sihanoukian Nationalist Army (ANS) have submitted military plans to friendly countries as a basis for more aid this year, ANS Supreme Commander Prince Norodom Rannarit said Wednesday.
[19 February]

China remained the main backer of military supplies in their struggle to free Kampuchea from foreign occupation, he told a press conference after meeting Deputy Foreign Minister Abdul Kadir Sheikh Fadzir at Wisma Putra (Foreign Ministry) here.

Prince Rannarit, who arrived here Tuesday representing his father, Prince Norodom Sihanouk, did not name the other countries. He will call on Foreign Minister Tengku Ahmad Rithauddeen and meet Foreign Ministry officials and Malaysian political youth leaders.

In an effort seen as downplaying internal feud plaguing certain factions in the tripartite Coalition Government of Democratic Kampuchea (CGDK), Prince Rannarit said he was hoping for a joint committee to coordinate military plans of the forces of the factions.

"After all we share the same objectives," said the prince, adding that the ground forces had already cemented their cooperation in a situation where their survival was uppermost in their minds.

The Association of Southeast Asian Nations (ASEAN) had suggested the need for the three forces to act together on the ground despite conflicts within their groups.

Prince Rannarit said the Vietnamese had yet to launch a dry season offensive and this had allowed the resistance forces to move inside Kampuchea in small mobile forces. In an effort to reflect the unity of the UN-recognized CGDK, Prince Rannarit said only Son Sann, the leader of the KPNLF, had yet to agree on the setting up of the proposed public relations committee. He said the CGDK would need only one spokesman to represent the coalition rather than every one speaking to represent their factions.

Prince Rannarit also denied that there had been any clashes between the forces of Democratic Kampuchea (DK) and the ANS, adding that late last month the two forces had cooperated in an attack on a Vietnamese military base.

On Vietnamese positions inside Kampuchea, Prince Rannarit said the Vietnamese were only in control of main towns and certain key military positions and had also pushed Heng Samrin forces out of Phnom Penh as "the trust the Vietnamese had on them is lessening."

On the other hand, the Heng Samrin forces had also refused to let Vietnamese military advisors be in their company and the number of Heng Samrin members defecting to the resistance was also on the increase, he said. "Early last month 300 Heng Samrin troops defected to the ANS," he said.

Prince Rannarit also said that the resistance forces had gained support from among the high-ranking officials of the Heng Samrin regime, including a vice-minister, some officials in the Foreign Ministry and students. On the likelihood of an early political solution, Prince Rannarit said there were "some big moves" and "some big smoke in the air." He did not elaborate on the indications. Prince Rannarit will leave for Bangkok Thursday.

Meets With Foreign Minister

BK191343 Kuala Lumpur BERNAMA in English 1328 GMT 19 Feb 86

[Text] Kuala Lumpur, Feb 19 (BERNAMA) -- Prince Norodom Rannarit, the supreme commander of Kampuchea's Sihanoukian Nationalist Army (ANS), Wednesday [19 February] called on Malaysian Foreign Minister Tengku Ahmad Rithaudoen here.

According to a Foreign Ministry official, the leaders discussed various political solutions that could lead to a peaceful settlement to the conflict in Kampuchea.

Prince Rannarit had impressed upon Tengku Rithauddeen the increasing cooperation among the three factions in the Coalition Government of Democratic Kampuchea (CGDK) -- The Khmer People's National Liberation Front (IPNLF), the Khmer Rouge and ANS. During the discussions, Prince Rannarit, who is the son of CGDK President Prince Norodom Sihanouk, projected a picture of confidence that the CGDK's objectives would be achieved sooner or later.

The official said that Tengku Rithauddeen had told Prince Rannarit that he was looking forward to meeting Prince Sihanouk and expressed Malaysia's continued support for the struggle of Kampuchean resistance groups.

Departs 20 Feb

BK200935 Kuala Lumpur BERNAMA in English 0908 GMT 20 Feb 86

[Text] Kuala Lumpur, Feb 20 (BERNAMA)-- Prince Norodom Rannarit, the supreme commander of Kampuchea's Sihanoukian Nationalist Army, left here Thursday after a two-day visit during which he held discussions with Malaysian leaders.

Prince Rannarit, who was representing his father, Prince Norodom Sihanouk, the president of the Coalition Government of Democratic Kampuchea, had called on Foreign Minister Tengku Ahmad Rithauddeen, his deputy, Abdul Kadir Sheikh Fadzir.

VER RESIGNATION REPORTEDLY NOT YET IN EFFECT

HK201515 Manila BUSINESS DAY in English 20 Feb 86 p 20

[By Gerry N. Zaragoza]

[Text] Gen Fabian C. Ver is apparently still the Armed Forces chief of staff despite Sunday's announcement of President Marcos that he had accepted Ver's resignation. Ver Tuesday sent communications to all Armed Forces major service commanders and heads of the regional unified commands and other military units saying he had tendered his resignation and that the President accepted it. However, in the same communication, Ver said the "effective date of which (resignation) will be announced later."

Lt Gen Fidel V. Ramos, the Armed Forces vice chief of staff, as of yesterday afternoon had not received any written order from the President, the commander in chief, directing him to assume the position as acting chief of staff. Marcos announced in last Sunday's press conference that he had accepted Ver's resignation and named Ramos as replacement. When he announced the resignation of Ver, Marcos did not mention when it would be effective. But many assumed that it was effective immediately.

Confusion started when a Malacanang press statement Monday said the President announced that Ramos would officially take over as acting chief of staff on March 1 to enable Ver to wind up his activities and to say goodbye to the troops. A few hours later, another Malacanang statement said the earlier announcement was released erroneously and that Ver had been retired Sunday "as announced by the President."

The President made the announcement on the acceptance of Ver's resignation a few hours before he was to meet Philip Habib, a U.S. special envoy sent by President Reagan to "assess the desires and needs of the Filipino people" in the wake of the Feb 7 elections. Observers said Marcos may have announced Ver's resignation to placate the U.S. which considers Ver an obstacle to badly-needed reforms in the military, which is fighting a growing communist insurgency.

Marcos had announced he would retire Ver before the Feb 7 elections, but it was only last Sunday that the President announced the resignation. Observers said the President may have further delayed Ver's retirement so the general, a trusted ally, would be at his side now that opposition presidential challenger Corazon Aquino had announced her protest program, which included the boycott of media agencies and firms controlled by the government or owned by persons close to Malacanang. When the president announced Ver's resignation, he was not aware of Mrs Aquino's protest program, observers said. While the press conference in Malacanang was going on, Mrs Aquino's rally at the Luneta where she announced the protest program was also going on. In the same press conference, Marcos said he would delay the retirement of the extendee generals if the protest turns violent.

RAMOS REQUESTS FREEZE IN KEY POSITION ASSIGNMENTS

HK210041 Manila Far East Broadcasting Company in English 2300 GMT 30 Feb 86

[Text] PC-INP [Philippine Constabulary-Integrated National Police] chief Lieutenant General Fidel Ramos has revealed that he has requested President Marcos to freeze all assignments in replacements of those in key positions in the Armed Forces. Ramos' statement was in reaction to reports that some key officers are in a mad scramble for top positions in the armed forces prior to the resignation of Armed Forces Chief of Staff General Fabian Ver on March 1.

In making the request, Ramos said this is intended to prevent maneuvering and positioning by some, which is causing apprehensions on the part of the many in the military. In another development, Gen Ramos directed all unit commanders to revitalize their efforts in the counterinsurgency program and reconciliation. According to him, the recently held elections had made the CPP [Communist Party of the Philippines]-NPA take advantage of the situation to muster their strength and resources.

EEC ENVOYS CALL ON ACTING FOREIGN MINISTER

BK210603 Manila PNA in English 1558 GMT 21 Feb 86

[Text] Manila, Feb. 21 (PNA) -- Ambassadors of the European Economic Community (EEC) Friday [21 February] called on acting Philippine Foreign Minister Pacifico Castro to check reports of alleged frauds in the Feb. 7 presidential elections. The Foreign Ministry said the meeting, which lasted for almost two hours, was held behind closed doors.

The ministry's public affairs office said Castro furnished the EEC envoys copies of official tally of the National Assembly showing the victory of President Ferdinand Marcos over opposition candidate Corazon Aquino in the last election. Marcos defeated Aquino by 1.5 million votes. The EEC had earlier said it expressed concern over reports of frauds and violence in the Feb. 7 polls.

During the meeting, Castro also assured the EEC ambassadors that the Philippine Government would honor its financial obligations to the EEC under a restructuring agreement.

Among those who attended the meeting were Ambassadors Alain Rens of Belgium, Jacques le Clerc of France, Mario Crema of Italy, Weiger Hellema of The Netherlands, Richard Robin McLaren of Britain, Pedro Ortiz Armengol of Spain and Charge d'Affaires Bent Wittrup Christensen of Denmark and Edmund Duckwitz of West Germany.

10,000 STUDENTS PROTEST IN SUPPORT OF AQUINO

BK210755 Manila PNA in English 0745 GMT 21 Feb 86

[Text] Manila, Feb. 21 (PNA) -- Some 10,000 students of a privately-run university demonstrated here Friday in support of defeated opposition presidential candidate Corazon Aquino. The students, all enrolled in the Far Eastern University, marched through Manila's major thoroughfares under the watchful eyes of hundreds of anti-riot policemen. No violent incident was reported.

The demonstration was part of the students' response to Aquino's call to boycott alleged crony newspapers and certain consumer products of pro-Marcos business firms. The newspapers, all English language dailies, include the BULLETIN TODAY, DAILY EXPRESS, TIMES JOURNAL and the PEOPLE'S JOURNAL. The students claimed the newspapers were owned by people close to President Ferdinand Marcos.

They also supported Aquino's call to boycott products being sold by the San Miguel Corp., the country's biggest argo-industrial firm. The firm produces the world-famous San Miguel beer. At least seven banks branded by Aquino as financial conduits of Marcos cronies had also been blacklisted by the Aquino camp for boycott.

BAYAN VOWS PROTESTS ON INAUGURATION DAY

HK210501 Hong Kong AFP in English 0443 GMT 21 Feb 86

[Text] Manila, Feb 21 (AFP) -- Philippine leftist radicals today vowed to hold nationwide protests on President Ferdinand Marcos's inauguration Tuesday and backed defeated opposition candidate Corazon Aquino's call for a protest campaign. But the Bayan [New People's Alliance] leftist alliance, which led a failed boycott of the February 7 presidential poll, chided Mrs Aquino's plan to file a protest with an electoral tribunal and said her protest campaign was too mild.

The Aquino camp has called for non-violent protests topped by work stoppages and school boycotts on the first working day after the inauguration apparently to avoid any violent confrontation with Marcos supporters on Tuesday. "We must mobilize our people, forget our fears and prejudices, in protest on the very day that Mr Marcos is to be installed. We must strongly expose this fake inauguration of a fake president," a Bayan statement today said.

Foreign officials and election observers and the Philippine Roman Catholic church have backed Mrs Aquino's charge that she was robbed of an election victory through massive fraud and violence, which Mr Marcos denies. The National Assembly proclaimed Mr Marcos reelected Saturday, giving him a lead of 1.5 million votes after an official tally of returns led by Speaker Nicanor Yniguez, Mr Marcos's campaign manager in the election.

Bayan leaders told a press conference they would hold a rally as near as possible to the still unannounced site of the inauguration, apart from work stoppages, transport strikes and other forms of protest nationwide. They said they would continue the protest the day after the inauguration "in support of the call of Mrs Aquino."

On the protest call, which began with a consumer boycott of banks and firms owned by Marcos "cronies," Bayan said its membership was largely made up of workers and peasants who had little money anyway. Bayan chairman Lorenzo Tanada, an Aquino supporter, said "not eating ice cream will not bring Marcos down" but "as a start we should support this program."

Bayan's statement said Mrs Aquino's plan to file a protest with an electoral tribunal would be a "political aberration," charging that the body was rigged in favor of Mr Marcos. The nine-member tribunal is headed by Chief Justice Ramon Aquino -- who is not related to the opposition candidate -- and includes two other justices and three representatives each from the ruling party and the opposition. The Chief Justice is like Speaker Yniguez a known political ally and law-school classmate of the president.

Supports Aquino

HK201001 Manila BUSINESS DAY in English 19 Feb 86 p 19

[Text] The left-leaning Bagong Alyansang Makabayan (Bayan) yesterday called for unity against the "U.S.-Marcos dictatorship" and urged support for opposition presidential challenger Corazon C. Aquino's boycott of crony institutions and one-day work stoppage. In a rally at the Liwasang Bonifacio attended by some 5,000 people, Nick Elman of the militant labor group Kilusang Mayo Uno (KMU) [1 May Movement] said, "This is the time to unite, not to debate on whether boycott or participation (in the Feb 7 snap polls) was correct."

Bayan boycotted the elections although some of its leaders and members opted for participation and supported Mrs Aquino. So far, Mrs Aquino has not linked up with Bayan in an alliance.

The rallyists carried predominantly red flags and streamers which read: "Reject U.S.-sponsored fascist coalition government!"; "AFP, Comelec, Batasan and crony media -- instruments of the dictator FM to ensure fake victory!"; "Repudiate the Marcos bogus victory mandate!" More than 500 students from the De La Salle University walked out of their classes yesterday afternoon and joined the Bayan rally. They carried a streamer saying "Cory Aquino, Pag-asa ng bayan [Nation's hope] and flashed the Laban sign.

Most of the speakers stressed the illegitimacy of the Marcos government. Student leader Bong Arreza of the League of Filipino students warned: "If Filipinos lose their patience, I don't know what they'll do to Marcos.... We have showed maximum tolerance for 20 years, suffering the Marcos dictatorship."

Arreza, while he called for support of Mrs Aquino's protest program, said it should not stop at civil disobedience. "This should be escalated into Welgang bayan." [national strike] He said most of the Filipinos, anyway, do not have bank accounts with the crony banks nor do they patronize Rustan's.

Opposition MP Orlando Mercado (Unido-Quezon City), who also spoke, told reporters the non-violent protest program launched by Mrs Aquino will need "ingenuity, creativity short of violence, to bring Marcos down." On the visit of President Reagan's special envoy, Ambassador Philip Habib, Mercado remarked, "Let's stop preoccupation with these American visitors... as if they are going to solve our problems."

Before the Liwasan rally, about 500 rallyists staged a brief demonstration in front of the U.S. Embassy. They later marched to Liwasang Bonifacio. The Nationalist Alliance, in a statement distributed during the rally, said they support the "righteousness" of various forms of civil disobedience advocated by Mrs Aquino.

TARGETS OF BOYCOTT COMMENT ON EFFECTS

HK200619 Quezon City Maharlika Broadcasting System in English 0400 GMT 20 Feb 86

[Text] Several firms affected by the opposition's boycott campaign have broken their silence on the matter. Rustan's department store chain said a boycott would affect its employees. At the Republic Planters Bank, vice president Antonio Akyatan said there has been no adverse effects on the boycott call.

[Begin Akyatan recording] [Words indistinct] regular and we are happy to save the staffing requirements of [words indistinct], also because they continue to pay out of their 84-85 and the 85 [word indistinct]. The price of sugar has somewhat stabilized although it is still lower than the desired 300 per picul average, but the sales presently have helped a lot our (?finance package) because when they continue to pay us, we continue to release to them the money needed for continued farming. [end recording]

Meanwhile 3,000 employees of San Miguel Corporation or its conglomerate would be affected by any boycott campaign against the firm. That was the statement made by Batangas MP and San Miguel Corporation stockholder Rafael Recto. Recto noted that San Miguel maintains plants in Bulacan and Pampanga, two provinces which voted for the opposition. [Recto recording indistinct]

BOYCOTTED PAPER BEGINS AFTERNOON EDITION

HK191113 Hong Kong AFP in English 1101 GMT 19 Feb 86

[Text] Manila, Feb 19 (AFP) -- A pro-government newspaper chain whose publications are the object of an opposition-led boycott today launched an afternoon broadsheet. Alfredo Marquez, editor-in-chief of the newspaper, the SUN TIMES, told AGENCE FRANCE-PRESSE it would initially run 40,000 copies a day, half of them targetting Metropolitan Manila readers. The paper is published by Philippine Journalists Inc. which is identified with Benjamin Romualdez, a brother of President Ferdinand Marcos's wife Imelda. The campaign to boycott products of pro-government organisations, including banks and media, was launched Sunday by opposition leader Corazon Aquino, who claims she was cheated of victory in the February 7 presidential election.

Meanwhile, Antonio Esguerra, assistant circulation editor of the newspaper chain's flagship THE TIMES JOURNAL, said the boycott campaign had had a "very minimal effect" on the daily's circulation, which he placed at 170,000 copies.

REPORT NOTES ARRIVAL OF U.S. SHIPS AT SUBIC BAY

HK201552 Manila Bulletin Today in English 20 Feb 86 pp 1, 8

[By Donato Rodelas and Wilma Yamzon]

[Text] Olongapo City -- The USS Enterprise, a nuclear-powered aircraft carrier, arrived at the Subic Naval Base Monday escorted by several battleships. Sources here said the Enterprise was backed by two submarines and 11 escort ships.

Earlier, the USS New Orleans with 4,000 U.S. Marines officers and men on board, docked at the Subic Naval Base followed by three American warships.

Residents said they were surprised by the sudden arrival of the American warships, many of them before the Feb. 7 presidential elections. Olongapo City Mayor Richard Godon said business has perked up because the warships carried more than 22,000 men.

Col. Benjamin Aguilar, Metrodiscom [Metropolitan District Command] commander here ordered his men to protect the U.S. Navy men from muggers and robbers. In addition, Maj. Augusto Canan, commanding officer of the 164th Pc company here assigned soldiers along the busy streets here, including Magsaysay Drive, as a protective measure.

About 30 vessels of the U.S. Seventh Fleet are expected to call at Subic this month, reliable sources at the Philippine Navy said yesterday. The exact purpose of the visit was not immediately known.

A U.S. Marine official, who declined to be identified, disclosed that the U.S. military bases in the country have been on red alert since Feb. 7. But local naval officials explained that the passing of several U.S. vessels in Philippine territory is a routine practice of the Seventh Fleet ships. A report said that since Feb. 11, 12 Seventh Fleet ships had made "brief visits in Subic." Some of these were identified as USS Enterprise (Cvc-65), USS Arkansas (Cgn-41), USS D.R. Ray (Dd-971), USS Bagley (Ff-1069), USS Reasoner (Ff-1063), USS Mc Clusky (Ffg-41), USS Sacramento (Ade-1), USS Obriendo (DD-975), and USS Puller (Ffg-23).

About 17 more ships are scheduled to "pay brief visits at Subic" until the end of the month, it was reported. Most of these will come from Singapore, Guam, and Hong Kong.

Sources said American military officials at Subic had expressed apprehension over the present condition in the country. Unconfirmed reports said that some families of servicemen were being evacuated to the United States. Both local and U.S. Navy officials, however, described this as an "exaggerated rumor."

OPPOSITION'S AMBIGUITY ON U.S. BASES CRITICIZED

HK201109 Quezon City WE FORUM in English 11-17 Feb 86 p 10

[By Nora Gamolo]

[Text] Don Claro M. Recto once remarked that the presence of U.S. military installations in the Philippines is akin to making the Filipinos commit suicide without first asking them. Perhaps no truer word can be said about this perennial pain in the Filipino's neck.

Jorge Emmanuel, a Filipino scientist who now resides in the United States, made a study of the consequences of one-megaton nuclear bombs exploded in the surface of these bases. A bomb so dropped on Clark Air Base alone could produce 105,000 deaths and injuries to 127,000 as immediate effects. Its long-term consequences would include delayed deaths due to acute radiation sickness, cancer, and burns. Radiation from the fallout would be carried by winds to all possible directions and distances.

The spectre of nuclear war and Philippine involvement in such a war is unquestionably heightened due to the presence of these American military installations in the Philippines. To this issue, President Marcos' response is that possible Philippine involvement in a nuclear war due to the presence of these bases is moot and academic because with or without these installations, the Philippines would be dragged to any nuclear war.

Not a few, however, are discomfited with the non-committal reply of favored candidate Corason C. Aquino with regard to the bases question. In an interview with ASIaweek, Aquino said that she is keeping an "open options" policy and would honor the bases agreement until 1991 when the U.S.-RP Military Bases Agreement expires.

Mrs. Aquino's position, however, is actually an improvement considering that in the Unity Accord she linked with Jovito Salonga, who withdrew from the vice-presidential race, and her running mate Salvador Laurel last Jan. 3 this year, there was absolutely no mention of the trio's position on the issue of the U.S. bases in RP. This was a negation of the opposition's earlier stand made in the so-called Gathering of Davids on Oct. 30, 1985 wherein the leaders from the National Unification Committee and the Convenors' Group made a categorical stand that "foreign military bases in Philippine territory must be removed and no foreign military bases shall hereafter be allowed."

Some analysts have opined that the opposition committed the ultimate boo-boo when it decided to be silent, or at most, non-committal about the bases issues. It is said that the more militant sectors of the opposition may eventually make concessions to Mrs. Aquino with regard to certain issues, but not on the bases question, which is already beyond the orbit of the militants' influence.

MP Homobono Adaza (Mindanao Alliance-Misamis Oriental), however, does not agree. He said in a forum sponsored by a business group that the opposition's stance to respect the presence of the U.S. bases until 1991 is "a master stroke showing political flexibility." He also explained that the stance adopted by the moderate opposition, the UNIDO, and Laban is "tactically different from the strategic principle" of the radical opposition Bayan. Adaza said that "so many things might happen between now and 1991, and a review of the agreement and the geopolitical position of the Philippines must be encouraged." He added that "changes can occur regarding the bases because politics does not operate in a vacuum." He further elucidated that even the Soviet Union and the People's Republic of China adopted a flexible position with regard to foreign military bases in their country immediately after revolutionary takeover. Adaza expressed hope that while "the radical and moderate opposition have strategic objectives, though different tactics," they would "finally reach one road."

Cynics and critics have brushed aside the opinion of Mr. Adaza and now consider the opposition as having made an unforgivable concession to certain forces in the political sphere. The more merciless ones view the opposition's stance as a means of courting the American vote, the foregone conclusion being that whoever wins the presidential, and even the vice-presidential race would undoubtedly have had the American backing in this contest. For this bunch of political observers, the opposition's strategy is to convince the U.S. that while it has the backing of the broad Filipino masses, it would not endanger American's interests, primarily represented in the form of the U.S. bases in the Philippines.

The bases determine American policy towards the Philippines and Asia. A classified official document, the National Security Study Document prepared in November 1984, discloses the importance of maintaining these bases to counter Soviet influence in the region. Apart from that, America has a \$2-billion direct economic investment representing 52.49 per cent of total foreign investments in the Philippines.

According to former Sen. Lorenzo M. Tanada, chairman emeritus of the Nuclear-Free Philippines Coalition: "The Americans would not support Marcos if not for these bases." Some more astute observers think that with growing unpopularity of the Marcos government, and with an uncontrollable expansion of the revolutionary New People's Army, American intervention in direct terms, such as deployment of American troops to face the NPA, similar to what they did in Vietnam, would not be a remote possibility, after all. These dreadful scenarios could only raise a question in the hearts and minds of the Filipino populace: Why is the opposition silent on the bases issue? What is it really up to?

UNIDO REJECTS OFFER TO JOIN AMENDMENT REVIEW BODY

HK201602 Manila TIMES JOURNAL in English 20 Feb 86 pp 1, 5

[By Catalino Makabenta]

[Text] The United Nationalist Democratic Organization, the accredited dominant opposition party, yesterday rejected President Marcos' offer to the opposition to participate in a commission to study amendments to the Constitution. "The Unido cannot and will not be a party to any of Mr. Marcos' schemes to hoodwink the Filipino people into forgetting the dubiousness of his claim to the people's mandate," Unido president Salvador H. Laurel said in a press statement. Laurel added that the Unido "cannot countenance the idea of sitting in council with a bogus vice president."

He was obviously referring to Vice President-elect Arturo M. Tolentino whom Mr. Marcos said he will appoint to the proposed commission. Laurel was the running mate of Mrs. Corazon Aquino in the Feb. 7 special election.

Earlier, Laurel convened the opposition members of the Batasang Pambansa to assess policy directions in the light of the current political crisis. During the meeting, the Unido created a committee of foreign affairs experts, including opposition members of the Batasan, to liaison with heads of mission of foreign embassies here. The committee was authorized to conduct dialogs with members of the diplomatic community "to explain why the present regime's claim to a popular mandate is spurious and fraudulent." Named to the committee by Laurel were former Vice President Emmanuel Pelaez, former Ambassador Salvador P. Lopez, former deputy Foreign Minister Jose Ingles, former Ambassador Jose S. Laurel III, former Education Secretary Alejandro Roces and MPs Omar Dianalan, Luis Villafuerte, Enrique Belo, Honorato Aquino, Jaime Ferrer, Gonzalo Puyat II, and Orlando Mercado.

EMERGENCY KBL CAUCUS DISCUSSES ECONOMY, IMF

HK191537 Manila BUSINESS DAY in English 19 Feb 86 p 20

[By Tara S. Singh]

[Text] The government will soon adopt measures to stabilize the peso which has deteriorated after the Feb 7 presidential and vice-presidential elections and to sop up excess liquidity. President Marcos said late last night that the government may "very soon" impose some restrictions on transactions and sale of foreign exchange and raise interest rates.

The peso further deteriorated vis-a-vis the U.S. dollar yesterday with the official rate at P22.043 to a U.S. dollar. Blackmarket rate on the other hand his P29 to \$1 yesterday.

Presiding over an emergency caucus of the Kilusang Bagong Lipunan stalwarts in Malacanang late last night, President Marcos said while these twin measures may bring about difficulties such as tightening of credit, such difficulties will not be as severe as those experienced in 1983. President Marcos also disclosed that the government has exceeded the limit on money supply set by the International Monetary Fund (IMF) by some P6 billion.

The excess is not because of excessive election expenditures but because of the poor revenue collections by the government, the President explained. President Marcos told the caucus that the government is "trying to finalize an agreement with the IMF regarding some financial assistance to the country."

The President said Prime Minister Cesar Virata has assured him that "all indications show that IMNF will continue to help the Philippines...if we do so (comply with the IMF criteria)." President Marcos also told the caucus that he has asked the IMF to send the review team to Manila as soon as feasible so that the country's performance can be reviewed soonest.

The IMF has called off a review mission that was supposed to arrive last week to review the country's economic performance during the last quarter of 1985. The deferment of the IMF team will mean a delay in the release of two tranches, the IMF standby credit amounting to \$230 million and a third installment of \$380 million new money to be provided by some international banks.

The KBL members observed that the Philippines will meet tough and difficult negotiations with the IMF, especially on money supply and on government deficit and expenditures.

The President, assessing the political scene after the Feb. 7 polls, said "There is nothing alarming about the present situation but we should stop the word spreading around that we, the KBL leaders, are all here in Manila hiding because we have lost in the elections."

The President then stressed the need to liaison with the people, the military and church authorities "not because we will use them but because this is needed for closer coordination with the government."

Marcos admitted that the present relations among the civilian, military and church authorities are "not so good." He suggested that the KBL leaders "go about meeting people and explaining to them the real situation without alarming them so much."

Deputy prime minister and KBL Secretary General Jose Rono explained the present political and economic situation in relation to the seven-point program of the opposition. He admitted that if this program is implemented, it will certainly have some effects on the country, he said.

This is so, Rono said, if the opposition plan succeeds, particularly the civil disobedience aspect. "The opposition will be inspired to do more including non-payment of taxes and disruption of public utilities, including transport system." However, if the opposition's seven-point civil disobedience plan fails, then the radical group will take over and this may lead to serious violence in the country, Rono added.

According to Rono, the opposition has set a program to let the people know that the reelection of President Marcos is "illegitimate." Rono then asked the KBL leaders to go to their respective areas and explain to the people that President Marcos "is the legitimate President." This may mean, Rono said, another campaign to win the hearts of the people.

PRIME MINISTER VIRATA ON WITHHOLDING OF U.S. AID

HK211202 Manila Far East Broadcasting Company in Tagalog 1000 GMT 21 Feb 86

[Text] Prime Minister Cesar Virata declared today that the Philippines will survive without the help of the United States. The prime minister made this remark in reaction to reports that American leaders plan to withhold aid to the Philippines over what they allege to be widespread fraud during the recent election. Virata said the U.S. may withhold the amount totalling 900 million dollars which has been planned for release from 1985 to 1990, but he said the Philippines does not consider this as aid but as payment for American use of military facilities in the country.

The prime minister also said the Philippines may ask the International Monetary Fund to raise the limit of reserve money requested by the Philippines for the next 4 months. He indicated that the government may take this course of action. Monetary experts explain this step will be taken because of difficulties which the Philippines now face with regard to its finances. This is the second request made by the Philippines asking for a higher ceiling for [words indistinct].

MUSLIM LEADERS CONDEMN ELECTION VIOLENCE, FRAUD

HK191603 Manila BULLETIN TODAY in English 19 Feb 86 pp 1, 5

[By Roy C. Sinfuego]

[Text] Muslim leaders representing the three major tribes of Southern Philippines joined the Catholic Bishops Conference of the Philippines (CBCP) yesterday in denouncing the fraud and terrorism that allegedly characterized the Feb. 7 presidential elections. At a meeting held at the Philippine Columbian Club, the Muslim leaders issued a joint statement condemning the alleged manipulation of the electoral process by the Kilusang Bagong Lipunan (KBL) to subvert the people's will.

The conference was attended by Muslim leaders from Lanao del Sur, Lanao del Norte, Maguindanao, and Jolo led by MP Omar Dianalan and former Senator Manintal A. Tamano, Dr. Ben Bangahan, and Alunan C. Glang and officers of various Muslim professionals, civic and youth, and student associations. They charged that the elections in the Muslim areas of Central and Western Mindanao (Regions 8 and 12) were marked by large-scale vote-buying, scrambling of the voters lists, 'ghost' precincts, terrorism, and manufactured or tampered election returns. They said that the polls saw the loss of Filipino lives, the division of the people, and heightened tension that could trigger further bloodshed and dissension.

The Muslim leaders from the Maranaw, Tausog and Maguindanao tribes appealed to President Marcos to recognize the supremacy of the sovereign mandate of the Filipino people.

Tamano, former senator from Lanao del Sur who was with President Marcos' party before the declaration of martial law, said that Islam and Christianity do not tolerate corruption, injustice, terrorism, and oppression as he urged the Muslims and Christians to fight these evils in every peaceful manner possible.

Others who attended the conference were lawyer Saidamen Pangarungan, president of the Muslim Association of the Philippines; Abdukcadir Ibrahim, secretary-general of the Islamic Directorate of the Philippines; Alunan C. Glang, Moro People's Consensus; and Haja Porti Zorayda Abbas Tamano, president of Philippine Muslim Women's Association. Also represented were the Taraka Professional and Student Association, Young Muslim Association, Muslim Lawyers League, Basak Muslim Association and Basak Youth Reformist Association.

KBL, OPPOSITION CLASH AGAIN OUTSIDE BATASAN

HK170540 Manila PHILIPPINES DAILY EXPRESS in English 15 Feb 86 pp 1, 6

[Text] Violence broke out yesterday at the Batasan grounds when opposition and KBL supporters clashed with stones, sticks, knives and slingshots. Seven persons were injured, including two who sustained stab wounds in the back. Police said the melee started when opposition supporters started to march around the Batasan grounds, heckling at KBL supporters. Romulo Lavadia, a 30-year old businessman who sustained two stab wounds, said however that the trouble started when jeering KBL supporters tried to grab a banner from the opposition group.

Three of the others injured were identified as Chet Martinez, Antonio Manigan and Alfredo Morales. Martinez suffered two stab wounds while Manigan and Morales sustained head injuries in the clash, which started at 3:30 p.m. as the Batasan continued its canvass of the results of last week's presidential elections.

Lt. Col. Romeo San Diego, assistant superintendent for operations of the Northern Police District, said about 200 supporters of opposition presidential candidate Corazon Aquino had provoked the KBL group.

Both groups had been holding vigil at the Batasan grounds awaiting the results of the canvass. The clash was the first between the two groups since the Batasan started its canvass.

San Diego said trouble started when followers of the UNIDO-LABAN [United Democratic Nationalist Organization-Laban ng Bayan] started marching around the Batasan grounds at 3 p.m., heckling at the KBL supporters. He said he tried to persuade the group to discontinue the march but to no avail. Minutes later, the clash started. It took the police 10 minutes to separate the two groups. San Diego said he could not tell who stabbed Lavadia and Martinez but he said several men from both the KBL and opposition camps were held for questioning. Tension was defused after the clash when the two groups agreed not to move out of their respective places.

OPPOSITION POLL WORKERS IN HIDING IN QUIRINO

HK180742 Manila BULLETIN TODAY in English 17 Feb 86 p 8

[By J. Dait Jr.]

[Text] Dupax Del Norte, Nueva Vizcaya -- Opposition leaders, party inspectors and poll watchers in nearby Quirino Province have taken refuge in an undisclosed place here for fear of reprisal, former Assemblyman Carlos Padilla, Unido chairman for Cagayan Valley, reported. "My problem is how to provide them protection and shelter while guarding the election returns at the same time," the Unido official said.

Four Unido leaders have been reported killed in Quirino during the election period.

Padilla identified the fatalities as Francisco Laurella, Unido provincial representative to the provincial board of canvassers; Fernando Pastor Jr., a youth leader; Rico Salvador, a barangay captain in Madella; and one surnamed Masabi, also of Madella. Reported missing was Fernando Pastor Sr., Unido provincial vice chairman and pastor of the Church of Christ in the province. Padilla also reported that Jimmy Magalved, a Solano restaurant owner and Unido leader, was maltreated by a ranking KBL leader during the canvassing of election returns at the PC [Philippine Constabulary] barracks last Feb. 9 in Bayombong, this province. Magalved was knocked unconscious and had to be treated at a clinic, Padilla said.

UNIDO REPRESENTATIVE KILLED IN TARLAC

HK141643 Manila BULLETIN TODAY in English 14 Feb 86 pp 1, 16

[By Carlos Gatdula]

[Text] Oarlac, Tarlac -- A Unido representative was killed in an election-related violence in Moncada town, this province, yesterday morning. Killed was Narciso Cainglit, 37, Unido coordinator of Barangay Baquero Sur, after a still unidentified gunman pumped six bullets into his body. He died on the spot. Recovered from the scene were empty .45 caliber pistol shells.

Cainglit's killing was the first post-election violence reported in the town. Unido sources said the victim was greatly responsible for the victory of the Aquino-Laurel ticket in his barangay.

Also in Moncada, the body of an unidentified man was found dumped in barangay Balaoang west just a few kilometers from where Cainglit was shot. But police believe the two killings are not related.

CORPSES OF 5 OPPOSITION SUPPORTERS FOUND

HK141600 Hong Kong AFP in English 1556 GMT 14 Feb 86

[Text] Manila, Feb 14 (AFP) -- The mutilated corpses of five opposition campaigners have been found in the northern province of Quirino, an opposition leader said here today. Five more supporters of opposition candidate Corazon Aquino in the province are missing and local leaders fear they could have been killed, following the discovery of three unidentified corpses in the neighboring province of Nueva Viscaya, former Senator Rene Espina said in a written statement.

Nueva Viscaya opposition leader Carlos Padilla has set up "refugee camps" in his province, where opposition supporters have fled from post-election violence, said Mr Espina, secretary-general of the United Nationalist Democratic Organization (Unido). Mrs Aquino ran for election under the Unido banner.

Mrs Aquino's spokesman, Rene Saguisag, told a news conference the killings could have been perpetrated by supporters of President Ferdinand Marcos. Military and police authorities in Manila could not immediately confirm the report.

Mr Espina said Francisco Laurelia's body had been found hanging by the feet from a tree in Cabarroguis town, 220 kilometers (132 miles) north of here, with his eyes gouged out and nose sliced off, and that the mutilated remains of Fernando Pastor had been found nearby. The two, together with Mr Pastor's father, disappeared on the eve of the February 7 election and were found dead Monday.

The bodies of Melanie Dumaplis, Marilyn Bagnes, and Marilyn Sangaon were found dumped in nearby Diffun Town Sunday, Mr Espina said. All three had been raped, two had been beheaded, and one had had her breasts cut off. Two more beheaded corpses were found hanging from a bridge in Cabarroguis, and three other bodies were found in Diadi Town in Nueva Viscaya, but it could not be ascertained if these were the bodies of the other missing men, he added. Mr Espina said he had appealed for help from Armed Forces Deputy Chief Lieutenant General Fidel Ramos.

The death toll in the bitterly-fought campaign has risen to at least 110 so far, according to official reports from the provinces, but Lt Gen Ramos said yesterday only 88 people had been proven to have been killed in election-related violence.

FEWER ELECTIONS-RELATED DEATHS THAN IN 1984

HK191013 Hong Kong AFP in English 0948 GMT 19 Feb 86

[Text] Manila, Feb 19 (AFP) -- Violence linked to the February 7 presidential election cost 91 lives by official count, 39 fewer than the official toll in a 1984 National Assembly poll. The paramilitary Constabulary said today that 91 people had died in violence related to the latest poll, while the toll was 130 in the 1984 contest for 180 seats in the National Assembly.

Unofficial figures also gave a lower death toll in election-related violence this year, with at least 110 dead, than in 1984, with about 2,000 killed.

Constabulary spokesman Crescencio Maralit attributed the lower figure in the February 7 election to pre-emptive measures taken by the 250,000-strong Armed Forces to ensure peace and order. The Constabulary, one of the four major military services in the country, had been specifically deputized to monitor the polls. Major Maralit also said communist New People's Army (NPA) guerrillas were less active in disrupting this year's polling than in 1984, when they even snatched ballot boxes to enforce a boycott campaign.

Fatalities in violence linked to the latest poll included at least 43 supporters or members of President Ferdinand Marcos' New Society Movement (KBL) party.

At least 24 were campaigners of opposition candidate Corazon Aquino, and the rest were guerrillas, soldiers and civilians whose preferences were not known. The most prominent victim was former provincial governor Evelio Javier, the opposition campaign leader in the central province of Antique, who was shot dead by a group of hooded men while keeping watch over ballot boxes. A constabulary captain has been charged in connection with the killing.

ARMY ASSURES SURRENDERING REBELS SAFE CONDUCT

HK190829 Quezon City Maharlika Broadcasting System in English 0800 GMT 19 Feb 86

[Text] Brigadier General Renato Ecarma, chief of the Regional Unified Command in the Visayas, today assured rebels of safe conduct if they surrender to the government. He said the policy is intended to encourage the dissidents to rejoin the mainstream of society and be a part of national development. According to him, this is intended to show the rebels that the government is serious in its concern for their return to a normal life. Ecarma added that bearers of safe-conduct passes will be given maximum security against reprisals. He also ordered field commanders in Central Visayas to allow returnees to pass through their areas of responsibility. He said the returnees will be accorded the necessary attention.

PNA REPORTS 3 KBL PARTY LEADERS SHOT DEAD BY NPA

BK200709 Manila PNA in English 0701 GMT 20 Feb 86

[Text] Malunon, South Cotabato, Philippines Feb. 20 (PNA) -- Three die-hard ruling party leaders were executed by musketry Tuesday night [18 February] by 30 heavily armed men believed to be members of the New People's Army (NPA) in Barangay [words indistinct] inside the houses of the victims and dragged them to the Barangay center. After they were interrogated and tortured, the victims were summarily executed by the terrorists.

Malunon Mayor Felipe Constantino said that at [words indistinct] not immediately identified by military authorities, who said that in spite of NPA warnings, they openly campaigned for Philippine President Ferdinand Marcos and his Vice President Arturo Tolentino in the elections. Constantino said the tandem won over the opposition Aquino-Laurel ticket in the said Barangay because the ruling party leaders brushed aside the NPA threats.

Led by a certain commander "Aguila" and "Gigi", the terrorists were armed with high-powered firearms and were equipped with a radio handset, Mayor Constantino said.

SOLDIERS KILLED BY REBELS IN DAVAO ORIENTAL

BK110947 Manila PNA in English 0943 GMT 11 Feb 86

[Text] Manila, Feb. 11 (PNA) -- A bemedalled Army captain and four soldiers were killed and seven others wounded in a two-hour gunbattle Monday with 200 rebels in Davao Oriental Province, 900 km south of here. Killed were Capt. Jessie Igot and four other unidentified soldiers. The rebels suffered an undetermined number of casualties, military authorities said.

Col. Romero Recina, constabulary commander, said the troops belonged to the elite "Task Group Panther" engaged in fighting the communist New People's Army in the province. They were on the way to a nearby town on board a vehicle and a tank when ambushed by the guerrillas. The tank hit a land mine before the terrorists opened fire.

Timely arrival of fresh troops prevented those being ambushed from being completely wiped out by the guerrillas. Wounded soldiers were immediately evacuated by helicopter to the provincial hospital.

The ambush was the second time the communist rebels used land mine in attacking security forces. Last Feb. 7, a military patrol clashed with a big group of terrorists. Both sides suffered undetermined casualties. The troops' tank was also damaged by a land mine laid by the rebels.

NPA MEMBERS ATTACK DAVAO DEL NORTE BARANGAY

HK191601 MANILA TIMES JOURNAL in English 19 Feb 86 p 3

[Text] San Vicente, Davao Del Norte -- A band of 50 heavily armed men believed to be New People's Army rebels swooped down on barangay Naga here at about 4 a.m. last Monday, killing the barangay captain, a 10-month-old boy and three other people. Three others were wounded in the attack.

Killed in the dawn raid were Ernesto Mendoza, the barangay captain; Shilario Davirao, Carlos Fermin, his wife Luz and their 10-month-old son, Carlos Jr. Two of those wounded who were rushed to the Christ the King Hospital in Tagum for treatment were Hilario Daguplo and Lilian Gubarol. The third was not identified.

The armed men roused the villagers from their sleep and demanded that all members of the Civilian Home Defense Force [CHDF] surrender to them. The CHDF members fought back but were overwhelmed by the rebels who outnumbered them. The terrorists peppered the villagers' homes with bullets and robbed a store owner of P6,000 in cash before they fled.

Residents said the armed men ordered Mendoza to walk some distance and then shot him in the head. Mendoza reportedly went down from his house to talk with the rebels.

In Camp Olivas, Pampanga, some quarters in the military are questioning the wisdom of allowing fishpond owners to arm their guards. Most fishpond owners issued either rifles or hand guns to their guards as protection against pirates and other intruders who allegedly haul Bangus and Shrimps worth several thousands of pesos from fishponds in Bulacan, Pampanga and Bataan every year.

But instead of minimizing raids on fishponds, the arming of the guards has helped increase the arsenal of communist terrorists who are said to have carried out most of the raids, Lt. Col. Cesar I. Alvarcz, Bulacan PC commander said. He urged fishpond owners and the authorities to discuss other ways of protecting the fishponds. "What is the use of arming fishpond guards when they only yield their firearms when attacked," he remarked.

So far, only one instance is known wherein fishpond guards engaged the plunderers in gunfight, in Orani, Bataan. In other places, the banks empty the fishponds of their contents with the guards not putting up even a token resistance, and even giving up their arms. Alvarez said that more than 200 firearms, many of them armalite rifles, have been taken by armed bands, some of whom were later identified as New People's Army rebels.

NPA GUERRILLAS KILL 3 IN NEGROS OCCIDENTAL

OW180533 Tokyo KYODO in English 0527 GMT 18 Feb 86

[Text] Manila, Feb. 18 KYODO -- Communist guerrillas killed two policemen and one civilian militiaman in an ambush on a patrol Sunday in Negros Occidental, central Philippines, in what is believed to mark a resumption of hostile actions by the guerrillas against government troops, reports reaching Manila said Tuesday.

The violent campaign by the New People's Army (NPA), the armed wing of the outlawed Communist Party of the Philippines, had been suspended during the presidential election of February 7, which the party boycotted. The NPA has been active in about 70 of the 74 provinces in the Philippines.

15 Held in Misamis Oriental

HK190737 Quezon City Maharlika Broadcasting System in English 0700 GMT 19 Feb 86

[Text] Armed men believed to be NPA terrorists kidnapped and held hostage 15 residents of barangay Look, (Palaing), Misamis Oriental. A military report reaching Camp Aguinaldo says among those kidnapped were children. We have added details from Jun Francisco:

[Begin recording] The sketchy reports said joint elements of the PC-INP and the Army's 2nd Scout Ranger Battalion have been dispatched to track down the perpetrators. Over in Negros Oriental, a PC patrol at Sitio Talamban, Mabinay, was ambushed by 70 armed subversive terrorists. As a result, the troopers suffered 3 killed, they were identified as C1C [Corporal 1st Class] Mariano (Tacang), C2C David (Dipasion) and CHDF (Christopher Jabas). The NPA suffered an undetermined number of casualties. The NPA attackers carted away from their victims three M-16 rifles, including a grenade-launcher, and one handheld radio. [end recording]

1,441 MNLF, NPA SURRENDER IN MINDANAO IN 1985

HK171038 Manila BULLETIN TODAY in English 15 Feb 86 p 8

[By Tony Pe. Rimando]

[Text] Cotabato City -- The Regional Unified Command [RUC] 12 based here negotiated the surrender of at least 1,441 members of the Moro National Liberation Front (MNLF) and New People's Army (NPA) in the autonomous region of Central Mindanao in 1985.

RUC 12 Chief Brig. Gen. Cesar F. Tapia said among the surrenderees were 45 Manobo rebels from North Cotabato headed by Mambiling Ansado and 10 groups of MNLF men with some 500 followers who also yielded 305 assorted firearms.

Gen. Tapia reported through Major Oscar Recentes, RUC 12 public information officer, that 551 of the surrenderees came from President Roxas town, 68 from Magpet, 503 from Matalam, and 56 from Makilala all in North Cotabato, and 224 from Iligan City and Lanao del Norte.

PRESIDENTIAL DECREES AID HOUSING PROJECTS

HK180746 Manila BUSINESS DAY in English 17 Feb 86 p 13

[Text] Several presidential decrees and a letter of instructions were signed just before the Feb. 7 presidential elections liberalizing the payment terms for families residing in National Housing Authority (NHA) resettlement projects and exempting NHA from taxes. Signed last Jan. 23 were Presidential Decrees No. 2013, 2014, 2015, 2016 and Letter of Instructions No. 1513.

PD 2014 orders the exemption from paying the project development cost of beneficiaries of the Tondo Foreshore Development Project who own and hold original and/or transfer certificates of title to land issued through the predecessors of NHA. Prior to PD 2014, the project beneficiaries were charged a development cost fee of P0. 95 per square meter per month. These families, however, petitioned the government to exempt them. They said that before the Tondo project was completed they had on their own installed the essential services of water, electricity and sewerage and therefore did not benefit as much as those residents who did not own the land when the project started. Observers pointed out, however, that only a small minority of the 27,000 households at the Tondo project would benefit from this decree since majority did not hold titles. The NHA could not give exact figures on the number of these title holders because of insufficient record. NHA staffers said records on the Tondo Foreshore Project are divided between the head office and the Tondo Project Office.

PD 2015, on the other hand, reduces the monthly amortizations by resettled families in NHA projects to between P30.00 and P50.00 depending on the size and location of their homelots. The decree also provides that resettled families paying less than the stated amount can continue paying at the old rate, less the interest charges. This amortization shall be made for 25 years with no interest charge. Sources in NHA said that exempting project beneficiaries from interest charges would mean that the NHA would have to shoulder the interest charges, resulting in a sharp rise in expenditures. The NHA uses funds borrowed from both the World Bank and local sources. Figures made available by the NHA showed that it paid P19.13 million on interest and bank charges on its liabilities of P1.312 billion in 1984. On the other hand, the same PD allowed the NHA to convert government equity funds in the agency and used for the development of resettlement sites into subsidies or grants.

Another decree, PD No. 2016, prohibits the eviction of residents in urban land reform zones who have lived in the area for "10 years or more reckoned from the date of issuance" of the Urban Land Reform Law in 1978. Surveys made by the Ministry of Human Settlements have shown, however, that only about 4 percent of families residing in these areas have lived there for more than 10 years. The PD therefore is expected to benefit only a minority. An unlikely beneficiary of this new law will also be landowners who also make up a minority in these areas since section 3 of the PD exempts privately owned land in these areas from real estate taxes.

Another new law, PD 2013, restores the exemption of the NHA from all taxes, duties, fees and other charges. NHA's tax privilege was withdrawn by PD 1931 issued on June 11, 1984. Also signed was Letter of Instructions No. 1513 ordering the transfer to NHA of 85.99 hectares of non-operational railroad tracks and right-of-way owned by the Philippine National Railways (PNR) and occupied by low income families. The NHA will then redevelop these areas under its Zonal Improvement and Slum Improvement and Resettlement Program. To be turned over to the NHA are 66.81 hectares of PNR land in Metro-Manila occupied by 12,920 families, and the 19.18 hectares Dau-PNR site in Mabalacat, Pampanga, occupied by 1,115 families.

The LOI also said the redevelopment of these areas will be undertaken on a joint-venture basis between the PNR and the NHA, with the PNR offering the land to the residents at an arranged cost and the NHA providing the funds for redevelopment. Observers noted, however, that the LOI does not mean that all residents in these areas would automatically be awarded home lots since the price of land in these areas will still have to be determined. Furthermore this price shall have to be amortized by the beneficiary families over a prescribed repayment period.

EXPERT SAYS IDENTICALLY MARKED P100 BILLS GENUINE

HK200613 Hong Kong AFP in English 0557 GMT 20 Feb 86

[Text] Manila, Feb 20 (AFP) -- An opposition newspaper said today an expert from a banking organization had studied three 100 peso (five dollar) bills in its possession and found them to be genuine and from the same printing plate. The claim, made by the opposition newspaper VERITAS, came as reports from Washington said that an International Monetary Fund (IMF) team did not discount the possibility that the government of President Ferdinand Marcos had printed extra money for his re-election campaign. VERITAS printed photos of the notes some two weeks ago showing them with identical serial numbers.

On Monday, Central Bank governor Jose Fernandez told journalists that he had had the notes examined by experts, and that they were found to be genuine with the last digits of the serial numbers tampered with. Mr Fernandez hinted that there could have been political motives behind the tampering, and said the bank's printing plant was run under a sophisticated control system that made it virtually impossible for two bank notes to have the same serial number.

Since the election, the Central Bank has raised interest rates on its own bank bills to a high of 30 percent from between 19 and 21.5 percent to mop up excess liquidity which it says resulted from heavy government spending over the past three months.

Mr Marcos said yesterday that from all indications, the IMF would continue to help the Philippines "despite opposition efforts to stop all assistance to the Philippines." An IMF team was due here last week to review the country's last quarter performance and release the third tranche of a standby credit amounting to 222 million U.S. dollars.

MARCOS LIMITS STATE OWNED FIRM ACTIVITIES

HK180738 Manila TIMES JOURNAL in English 16 Feb 86 p 8

[Text] President Marcos has recently directed all state-owned corporations which do not fall under the pre-determined areas of operations where government presence is deemed necessary to withdraw their participation.

The president, through Letter of Instructions No. 1520, limited the areas where government corporations may be allowed to participate to utility and security-oriented activities. Under the utility sector, the LOI specified activities such as power generation, railroads, telephone services, supply of potable water, and large-scale irrigation facilities as strategic and economic areas where government-owned firms may participate intensively.

Those areas or activities, however, which do not fall within these categories of natural monopolies, and in which competitive private participation may occur, but involves national welfare and defense, the LOI noted, government participation is also considered necessary. The directive cited examples of national security-oriented areas such as: public utilities and infrastructure activities where competitive ventures may exist; large-scale income redistributive undertakings primarily designed to benefit low income households; those which are highly strategic in character or of great national security significance, the operation of which would have wide-ranging economic implications such as in banking, steel, or petroleum; and, those requiring very large and physical indivisible capital investments, entailing long and highly uncertain gestation periods which the private sector is unwilling to undertake.

However, the directive stressed that all government corporations covered by the pre-determined areas of operations should conform to the financial viability requirement which is equivalent to the ability of the corporation to support its operations from its own internal cash generation without operating losses at the very least, and without any special privileges or assistance from the national government.

The LOI also provides that suitable steps should be taken to withdraw government corporations from operating in those areas which are not embraced in the areas of operations. This move is geared towards streamlining and rationalizing the government corporate sector.

Announces Bumper Rice Harvest

HK150344 Quezon City Maharlika Broadcasting System in English 0300 GMT 15 Feb 86

[Text] The (final palay) production of the country for the 1985-86 crop season totalled an unprecedented bumper crop harvest of 104.5 million cavans. This was announced yesterday by President Marcos. The president made this announcement on a report submitted by Agriculture Minister Salvador Escudero III on the country's product output for the main season crops this year.

CENTRAL BANK INCREASES LOANS TO GOVERNMENT

HK180736 Manila BUSINESS DAY in English 17 Feb 86 p 3

[By Conrade R. Banal III]

[Text] The Central Bank's [CB] lendings to the national government rose by some P8 billion in the last two months from around P10 billion as of November last year to P18 billion as of last Jan. 24, according to latest CB figures. Such a huge jump in what is officially termed as CB net credits to the national government -- its loans to the government minus the latter's deposits with it -- may become a problem in the government's forthcoming negotiations with the International Monetary Fund (IMF).

A BUSINESS DAY source in the CB said the end-December monetary targets promised to the IMF have all been met "except for that on the CB net credits to the government." Other CB officials said the final figures on CB lendings to the government take time to complete -- usually taking about two months from the cut-off date -- but the source claimed that the government has exceeded the target.

The IMF wants to limit government borrowings from the CB to give the private sector more access to CB funds. CB data however showed that these funds failed to get to the hands of private enterprises. CB rediscounting loans, which are given to banks which in turn lend these to private corporations, amounted to P12 billion as of last January. The figure has remained unchanged since a year ago.

The IMF scheduled this week to start its review of the country's performance in the past quarter as against the economic program which the government submitted to the Fund. Moreover, the IMF and the government were to start negotiations on the various targets and criteria that the country should meet for the rest of 1986. Based on an informal agreement with the country's creditor-banks abroad, the government has to obtain another standby line from the IMF after June this year when the present line expires.

The IMF however has postponed its visit, without setting a new date. Some in the financial community attributed the postponement to political uncertainties following the snap presidential election. Others believed that both the government and the IMF agreed to postpone the negotiations. The government apparently realizes that it "misbehaved" regarding its borrowings from the CB the past weeks, a banker said.

There are already indications that the government will try to reduce its borrowings from the CB before it starts negotiations with the IMF. Last week, it raised its interest payments on Treasury bills -- its short-term IOUs -- by between three to 3.5 percentage points. It also resumed issuance of 30-day, 50-day and 60-day T-bills, which were withdrawn from the market for some time. The idea is to attract more buyers from banks and the public. The proceeds from such IOU sales will be deposited with the CB to cut its "net credits."

FEARS EXPRESSED ABOUT MEETING IMF TARGETS

HK180734 Manila PHILIPPINES DAILY EXPRESS in English 17 Feb 86 p 16

[By George T. Nervez]

[Text] Monetary and fiscal authorities are anxious about meeting the performance targets set by the International Monetary Fund (IMF) for March 1986 because of the ill effects on the economy of massive spending in the recent elections. Concern over the fiscal and monetary targets, including the budget deficit of the national government, inflation, reserve money level was aired during last Friday's meeting of the financial group, led by Central Bank Gov. Jose B. Fernandez Jr. and Prime Minister Cesar Virata. "We are reassessing the situation in relations to the March 1986 targets," said a top government official who sits in the financial group that includes the heads of the government financial institutions.

A crucial performance target is the reserve money level which, he said, could be overshoot because of the heavy spending in the recently concluded presidential polls. To mop up excess money in the financial system, the CB has started yields on its short-term CB bills. The CB has not publicly disclosed the performance targets imposed by the IMF.

Virata earlier said the reserve money target for March 31, 1986 is close to the P38.4 billion ceiling set for December 31, 1985. Reserve money which includes currency in circulation and bank balances with the CB, is a major determinant on total liquidity in the financial system and is thus closely monitored by the IMF.

Compliance with the March 1986 performance targets would trigger the release of a final tranche worth \$230.8 million (212 million special drawing rights) from the IMF credit, and about \$350 million in new loans from foreign banks.

The IMF already called off a mission due here last week to review the country's performance as of end-December 1985. The IMF team was originally expected here last month but was delayed until after the presidential elections. Government officials said the IMF team may come here late March, although no specific date has been set.

The delays could put off the release of the final tranches from the IMF standby credit and new money from the foreign banks, which Virata earlier said could be drawn by May or June 1986.

Banking industry sources said the foreign banks were also keenly watching the local political situation that could have bearing on the availability of new loans. They noted that one of the events of default listed by the foreign banks in the \$925 million new money facility was any "occurrence of any event or condition (including material adverse change in the economic or financial condition of the Philippines) which gives majority lenders grounds to believe that the Philippines will be unable to comply with its obligations under the loan agreement or guarantee.

ADB PRESSURED TO MOVE HEADQUARTERS FROM MANILA

HK200549 Hong Kong HONG KONG STANDARD (BUSINESS STANDARD supplement) in English
20 Feb 86 p 1

[By K. Gopinath]

[Text] The Manila-based Asian development Bank [ADB] is likely to shift the venue of its annual board meeting in April-May from the Philippines capital. More dramatically, the ADB is also under pressure from some of its members to move its headquarters from Manila, informed sources said. An ADB official in Manila, contacted by telephone yesterday, would neither confirm nor deny the report. "I don't know," he said.

The annual board meeting is usually inaugurated by the head of state of the country where it is held. Many members of ADB are firmly opposed to Mr Ferdinand Marcos doing the honours. They feel this will give his presidency a legitimacy it lacks. The annual board meeting is attended by finance ministers and government officials of member countries. Also attending will be 1,500-2,000 observers who include private merchants and commercial bankers, export credit agencies and development finance institutions.

Some of the foreign bankers in Hong Kong contacted by the BUSINESS STANDARD expressed serious reservations about attending a meeting held in a city in turmoil. "There are other, less troublesome, places in Asia," said one. "Singapore, for instance."

Many member nations have been increasingly critical of what, they feel, has been a felonious appropriation of the presidency by Mr Marcos.

Australia has come out bluntly against Mr Marcos' "re-election" and the Malaysian media, with official blessing, has been lambasting the Philippines poll.

Only last year the bank gave out contracts to build a new headquarters in Manila. (The majority shares in ADB are held by Japan and the United States). Although this may seem to rule out a shift from Manila, there is considerable pressure from member nations to take the political situation into consideration.

Before the elections member nations and ADB officialdom were concerned about the safety of Adb employees in Manila. That anxiety lingers on. Now, to the deepening political crisis, is added the very real prospect of national bankruptcy.

With the peso registering its biggest single day drop in 15 years (from 19.98 to 22.04 pesos to the dollar) on Tuesday and mammoth election expenses fuelling the runaway inflation, the Philippines is in danger of getting knocked off its sole escape route from bankruptcy: A U.S. \$10-billion financial package which was orchestrated by the International Monetary Fund.

The package includes the recycling of the country's \$5.7 billion debt, cash loans and trade credit. If the package does not come through the country will go broke. The key to it all is with the IMF and there are indications that it is in no hurry to hand over the remaining \$220 million of a \$615 million it guaranteed the debt-ridden country.

And time is what the Philippines does not have. If the IMF does not deliver, neither will the others. Already exporters in many countries (Hong Kong included) have been officially cautioned that they will export to the Philippines at their own risk.

Agencies reported from Washington yesterday that IMF officials are set to probe documented allegations of Marcos administration printing banknotes during the election campaign. According to the allegations, to camouflage the printing of new notes, serial number of notes already in circulation were duplicated.

JAPAN TO RELEASE 1ST PART OF FINANCIAL PACKAGE

HK201101 Manila Far East Broadcasting Company in Tagalog 1000 GMT 21 Feb 86

[Text] The Japanese Government will release the first part of a \$275 million financial package to the Philippines. The amount to be released is \$91 million and falls under the credit agreement signed by Japan and the Philippines in December 1985. Japanese Foreign Minister Shintaro Abe told the lower house Foreign Affairs Committee at a meeting in Tokyo that the rest of the commodity loan will not be released unless 90 percent of the first portion is used up. Abe said this condition has nothing to do with the results of the recent presidential election.

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